

EIGHTY-FIRST DAY

St. Paul, Minnesota, Thursday, March 2, 1978

The Senate met at 10:00 o'clock a.m. and was called to order by the President.

CALL OF THE SENATE

Mr. Coleman imposed a call of the Senate. The following Senators answered to their names:

Ashbach	Davies	Laufenburger	Peterson	Staples
Bang	Dunn	Lessard	Pillsbury	Stumpf
Benedict	Engler	Lewis	Renneke	Tennessen
Bernhagen	Gearty	Luther	Schaaf	Wegener
Borden	Hanson	Menning	Schrom	Willet
Brataas	Keefe, S.	Moe	Setzepfandt	
Chenoweth	Kirchner	Nelson	Sieloff	
Chmielewski	Kleinbaum	Penny	Sikorski	
Coleman	Knaak	Perpich	Spear	

The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. Dean Meeter.

The roll was called, and the following Senators answered to their names:

Anderson	Engler	Knutson	Perpich	Stokowski
Ashbach	Gearty	Laufenburger	Peterson	Strand
Bang	Gunderson	Lessard	Pillsbury	Stumpf
Benedict	Hanson	Lewis	Renneke	Tennessen
Bernhagen	Hughes	Luther	Schaaf	Ueland, A.
Borden	Humphrey	Menning	Schrom	Ulland, J.
Brataas	Jensen	Moe	Setzepfandt	Vega
Chenoweth	Johnson	Nelson	Sieloff	Wegener
Chmielewski	Keefe, J.	Nichols	Sikorski	Willet
Coleman	Keefe, S.	Ogdahl	Sillers	
Davies	Kirchner	Olhoft	Solon	
Dieterich	Kleinbaum	Olson	Spear	
Dunn	Knaak	Penny	Staples	

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

MEMBERS EXCUSED

Messrs. Knoll, McCutcheon, Merriam, Purfeerst and Schmitz were excused from the Session of today.

Mr. Benedict was excused from the Session of today from 11:00 a.m. to 12:00 o'clock noon. Mr. Schrom was excused from the Session of today at 12:00 o'clock noon.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received and referred to the committees indicated:

March 1, 1978

The Honorable Edward J. Gearty
President of the Senate

Dear Sir:

The following appointment to the Board of the Arts is hereby respectfully submitted to the Senate for confirmation as required by law:

Alvina O'Brien, 480 Grand Hill, St. Paul, Ramsey County, has been appointed by me, effective January 2, 1978, for a term expiring the first Monday in January, 1982.

Referred to the Committee on General Legislation and Veterans Affairs.

February 27, 1978

The following appointment to the State Board for Community Colleges is hereby respectfully submitted to the Senate for confirmation as required by law:

Thomas D. Peacock, Route 2, Cass Lake, Cass County, has been appointed by me, effective January 30, 1978, for a term expiring the first Monday in January, 1982.

Referred to the Committee on Education.

Sincerely,
Rudy Perpich, Governor

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time and referred to the committees indicated.

Mr. Lewis introduced—

S. F. No. 2364: A bill for an act relating to the blind; retaining the adult regional library for the blind within the department of public welfare; amending Minnesota Statutes 1976, Section 128A.02, Subdivision 1; and Laws 1976, Chapter 271, Section 74, Subdivisions 6, 7 and 8.

Referred to the Committee on Health, Welfare and Corrections.

Mr. Humphrey introduced—

S. F. No. 2365: A bill for an act relating to education; vocational-technical schools; permitting certain independent school districts in Hennepin county to create joint boards for area vocational-technical schools; defining powers of these joint boards; amending Minnesota Statutes 1976, Chapter 121, by adding a section; repealing Laws 1967, Chapter 822, as amended.

Referred to the Committee on Education.

Mr. Strand introduced—

S. F. No. 2366: A bill for an act relating to education; authorizing the state board of education to establish the position and employ an industrial arts consultant; appropriating money.

Referred to the Committee on Education.

Mr. Strand introduced—

S. F. No. 2367: A bill for an act relating to appropriations; providing funds to pay certain special assessments against the state for ditch improvements in the county of Swift.

Referred to the Committee on Agriculture and Natural Resources.

Messrs. Purfeerst, Humphrey, Kirchner, Luther and Lewis introduced—

S. F. No. 2368: A bill for an act relating to motor vehicles; requiring mandatory annual inspection of motor vehicles; prescribing powers and duties of the commissioner of public safety and the pollution control agency; imposing fees for inspection; prescribing penalties; and appropriating money.

Referred to the Committee on Transportation.

Mr. Perpich introduced—

S. F. No. 2369: A bill for an act relating to the city of Chisholm; authorizing an on-sale liquor license for Chisholm sports arena.

Referred to the Committee on Commerce.

Mr. Moe, for the Committee on Finance, introduced—

S. F. No. 2370: A bill for an act relating to public improvements; authorizing alterations, repair, rehabilitation, equipping, and replacement of equipment of public buildings with certain conditions; postponing deadline for submission of capital budget; authorizing purchase and sale of public lands and buildings; limiting construction of acoustical barriers; appropriating money; amending Minnesota Statutes 1976, Section 16A.11, Subdivision

1; Minnesota Statutes, 1977 Supplement, Section 161.125, Subdivision 1; repealing Laws 1977, Chapter 454, Section 16.

Under the rules of the Senate, laid over one day.

Mr. Moe, for the Committee on Finance, introduced—

S. F. No. 2371: A bill for an act relating to public improvements, authorizing the acquisition and betterment of public land and buildings and other public improvements of a capital nature with certain conditions; authorizing issuance of state buildings bonds; authorizing university of Minnesota to participate in shade tree disease control program; limiting capital improvements at vocational-technical schools; appropriating money; amending Minnesota Statutes 1976, Sections 121.21, Subdivision 4a; 121.214, Subdivisions 1, 3, and 4; 124.564; and Minnesota Statutes, 1977 Supplement, Section 18.023, Subdivisions 1 and 3a.

Under the rules of the Senate, laid over one day.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, herewith returned: S. F. No. 1802.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 1, 1978

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S. F. No. 265: A bill for an act relating to highways; providing that towns be reimbursed for repairing and restoring town roads damaged while utilized as a haul road in transporting road building materials used in construction or maintenance.

Senate File No. 265 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 1, 1978

CONCURRENCE AND REPASSAGE

Mr. Schrom moved that the Senate concur in the amendments by the House to S. F. No. 265 and that the bill be placed on its repassage as amended. The motion prevailed.

S. F. No. 265 was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 48 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Engler	Knaak	Schaaf	Strand
Ashbach	Gearty	Lessard	Schrom	Stumpf
Bang	Gunderson	Lewis	Setzepfandt	Tennessee
Benedict	Hanson	Luther	Sieloff	Ueland, A.
Bernhagen	Hughes	Menning	Sikorski	Ulland, J.
Brataas	Jensen	Nelson	Sillers	Vega
Chenoweth	Johnson	Perpich	Solon	Wegener
Chmielewski	Keefe, S.	Peterson	Spear	Willet
Davies	Kirchner	Pillsbury	Staples	
Dunn	Kleinbaum	Renneke	Stokowski	

So the bill, as amended, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE—CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S. F. No. 1758: A bill for an act relating to the department of transportation; permitting the commissioner of transportation to designate primary and alternate routes for the Great River Road; deleting the statutory route; removing duty of the commissioner to maintain the road; amending Minnesota Statutes 1976, Sections 161.142 and 161.148, Subdivisions 1, 2 and 3; repealing Minnesota Statutes 1976, Section 161.148, Subdivision 4.

Senate File No. 1758 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives
Returned March 1, 1978

Mr. Coleman moved that S. F. No. 1758 be laid on the table.
The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H. F. Nos. 2221, 1834, 1936, 2013, 2312, 1873, 2049, 2242, 2243, 842, 1732, 1965, 1981, 2066, 1826, 2067, 2081, 2102 and 2225.

Edward A. Burdick, Chief Clerk, House of Representatives
Transmitted March 1, 1978

FIRST READING OF HOUSE BILLS

The following bills were read the first time and referred to the committees indicated.

H. F. No. 2221: A bill for an act relating to Minnesota Statutes; correcting erroneous, ambiguous, omitted and obsolete references and text; eliminating duplicate, redundant, conflicting and superseded provisions; amending Minnesota Statutes 1976, Sections 6.58; 15.0411, Subdivision 3; 16A.26; 40.072, Subdivision 3; 41.53, Subdivision 2; 44.06, Subdivision 2; 53.03, by adding a subdivision; 84A.55, Subdivision 14; 150A.09, Subdivision 1; 161.09, Subdivision 1; 161.14, Subdivision 19; 251.09; 251.10; 251.11; 251.12; 251.13; 254A.08, Subdivision 3; 270.08; 290.24; 290.49, Subdivision 10; 326.08, Subdivision 2; 366.10; 475.51, Subdivision 1; Minnesota Statutes, 1977 Supplement, Sections 15.0411, Subdivision 2; 15A.083, Subdivision 2; 16A.129; 50.14, Subdivision 5; 116C.63, Subdivision 4; 214.01, Subdivision 3; 256B.48, Subdivision 1; 290.01, Subdivision 20; 290.09, Subdivision 4; 319A.02, Subdivision 2; 343.08; 517.08, Subdivision 1; 593.42, Subdivision 5; 593.45, Subdivision 4; 593.46, Subdivision 2; Extra Session Laws 1959, Chapter 19, by adding a section; repealing Minnesota Statutes 1976, Sections 33.10; 33.11; 33.12; 33.14; 33.15; 33.171; 270.051, Subdivision 1; 602.04; Minnesota Statutes, 1977 Supplement, Sections 33.13; Laws 1975, Chapters 61, Section 8; 136, Sections 11, 13, 57 and 58; Laws 1976, Chapters 44, Section 18; 163, Section 54; 222, Sections 25, Subdivision 8, and 78; 263, Section 8; Laws 1977, Chapters 264, Section 3; 299, Section 6; 326, Section 8; 346, Section 7.

Referred to the Committee on Rules and Administration for comparison with S. F. No. 2155.

H. F. No. 1834: A bill for an act relating to labor; increasing fees for boiler inspection and engineers' licenses; amending Minnesota Statutes 1976, Sections 183.545, Subdivisions 1, 2, 3, and 4; and 183.57, Subdivision 2.

Referred to the Committee on Employment.

H. F. No. 1936: A bill for an act relating to Independent School District No. 272 (Eden Prairie) and Independent School District No. 273 (Edina); providing for the transfer of territory from Independent School District No. 272 to Independent School District No. 273.

Referred to the Committee on Rules and Administration for comparison to S. F. No. 1775 now on the Consent Calendar.

H. F. No. 2013: A bill for an act relating to domestic relations; contracts and conveyances between husband and wife; amending Minnesota Statutes 1976, Sections 500.19, by adding a subdivision; and 519.06.

Referred to the Committee on Judiciary.

H. F. No. 2312: A bill for an act relating to Independent School District No. 272 (Eden Prairie) and Independent School District No. 271 (Bloomington); providing for the transfer of territory from Independent School District No. 272 to Independent School District No. 271.

Referred to the Committee on Rules and Administration for comparison to S. F. No. 2157 now on the Consent Calendar.

H. F. No. 1873: A bill for an act relating to the county of Anoka; validating the acquisition of and payment for certain real estate.

Referred to the Committee on Rules and Administration for comparison with S. F. No. 1660.

H. F. No. 2049: A bill for an act relating to local units of government; removing certain restrictions on contracts affecting the financial interests of public officers; amending Minnesota Statutes 1976, Section 471.89, Subdivisions 2 and 3; and Minnesota Statutes, 1977 Supplement, Section 471.88, Subdivision 5.

Referred to the Committee on Local Government.

H. F. No. 2242: A bill for an act relating to Yellow Medicine county; authorizing the expenditure of money by the county board to restore county ditch number nine.

Referred to the Committee on Agriculture and Natural Resources.

H. F. No. 2243: A bill for an act relating to the city of Rochester; issuance of licenses for the sale of intoxicating liquor at Mayo civic auditorium.

Referred to the Committee on Commerce.

H. F. No. 842: A bill for an act relating to financial institutions; establishing procedures for issuance of orders and removal of officers, trustees or directors in the event of violations of law or unsafe practices; providing penalties.

Referred to the Committee on Rules and Administration for comparison to S. F. No. 370.

H. F. No. 1732: A resolution urging the President and Congress to take action to insure environmental safeguards in connection with an electrical generating facility at Atikokan, Ontario, Canada.

Referred to the Committee on Rules and Administration.

H. F. No. 1965: A bill for an act relating to highways; directing the department of transportation to utilize a certain corridor in Washington county for the construction of interstate highway marked No. 194.

Referred to the Committee on Transportation.

H. F. No. 1981: A bill for an act relating to natural resources; informal sales of state timber; removing the requirement of a certain affidavit; amending Minnesota Statutes 1976, Section 90.191, Subdivision 1.

Referred to the Committee on Agriculture and Natural Resources.

H. F. No. 2066: A bill for an act relating to commerce; providing for delivery of motor vehicle certificates of title to owners; amending Minnesota Statutes 1976, Section 168A.20, Subdivision 1.

Referred to the Committee on Commerce.

H. F. No. 1826: A bill for an act relating to public welfare; providing compensation to residents of state institutions; accepting volunteer services; authorizing rule promulgation for child cost of care; authorizing ward institutional placement for respite care; concerning the discharge of a committed patient; providing for a hospital program plan; concerning local welfare hearing; regarding child support; amending Minnesota Statutes 1976, Sections 246.36; 252A.11, Subdivision 3; 253A.15, Subdivision 11; 253A.17, Subdivision 9; 256.045, Subdivision 2; Chapter 246, by adding a section; Minnesota Statutes, 1977 Supplement, Sections 252.27, Subdivision 2; 256.79; 256.873.

Referred to the Committee on Health, Welfare and Corrections.

H. F. No. 2067: A bill for an act relating to transportation; authorizing permits for the construction of agricultural fences on a highway right-of-way.

Referred to the Committee on Transportation.

H. F. No. 2081: A bill for an act relating to education; authorizing expansion of the environmental education program; amending Minnesota Statutes 1976, Section 89.35, Subdivision 2; and Minnesota Statutes, 1977 Supplement, Section 126.111, Subdivision 1.

Referred to the Committee on Education.

H. F. No. 2102: A bill for an act relating to labor; clarifying the definition of public employer in the public employees labor relations act; amending Minnesota Statutes 1976, Section 179.63, Subdivision 4.

Referred to the Committee on Governmental Operations.

H. F. No. 2225: A bill for an act relating to prepaid legal service plans; authorizing creation of nonprofit, legal service plan corporations; providing for their formation and regulation; prescribing penalties.

Referred to the Committee on Commerce.

REPORTS OF COMMITTEES

Mr. Coleman moved that the Committee Reports at the Desk be now adopted, with the exception of the report on S. F. No. 2237 and reports pertaining to appointments. The motion prevailed.

Mr. Davies from the Committee on Judiciary, to which was referred

S. F. No. 2006: A bill for an act relating to courts; disqualification of a presiding judge without a showing of prejudice; amending Minnesota Statutes 1976, Section 542.16.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, after line 6, insert

"Section 1. Minnesota Statutes 1976, Section 487.40, Subdivision 2, is amended to read:

Subd. 2. [NOTICE TO REMOVE; SUBSEQUENT DISQUALIFICATION.] Any party or his attorney, to a cause pending in a court, ~~on or before ten days prior to the first day of a general, or five days prior to a special, term thereof, or, in any district having two or more judges, within one day after it is ascertained which judge is to preside at the trial or hearing thereof, or at the hearing of any motion, order to show cause, or argument on demurrer, may make and file with the clerk of the court in which the action is pending and serve on the opposite party an affidavit stating that, on account of prejudice or bias on the part of such judge, he has good reason to believe, and does believe, that he cannot have a fair trial or hearing thereof, a notice to remove and thereupon such judge shall forthwith, without any further act or proof, secure some other judge of the same or another district to preside at the trial of such the cause or the hearing of the motion, demurrer, or order to show cause, and shall continue the cause shall be continued on the calendar, until such another judge can be present. In criminal actions such the affidavit shall be made and filed with such the clerk by the defendant, or his attorney, not less than two days before the expiration of the time allowed him by law to prepare for trial and in any of such the cases such the presiding judge shall be incapacitated to try such the cause. In criminal cases, such the judge for the purpose of securing a speedy trial, may in his discretion change the place of trial to another county.~~

After a litigant has once disqualified a presiding judge as a matter of right under this subdivision, he may disqualify the substitute judge, but only by making an affirmative showing of prejudice. A showing that the judge might be excluded for bias from acting as a juror in the matter constitutes an affirmative showing of prejudice."

Page 1, line 11, strike "on or before ten days prior to"

Page 1, strike lines 12 and 13

Page 2, lines 3 and 7, strike "such" and insert "the"

Page 2, line 6, strike "such" and before "notice" insert "the"

Page 2, line 4, after "and" insert "the cause"

Page 2, line 4, strike "continue the"

Page 2, line 5, strike "cause" and insert "be continued"

Page 2, line 5, strike "such" and insert "another"

Page 2, line 10, strike the first "such" and insert "those"

Page 2, line 10, strike the second "such" and insert "the"

Page 2, line 11, in both places, strike "such" and insert "the"

Page 2, line 18, strike "and by obtaining a writ of prohibition"

Page 2, line 18, after the period insert "A showing that the judge might be excluded for bias from acting as a juror in the matter constitutes an affirmative showing of prejudice."

Renumber the sections in sequence

Amend the title as follows:

Line 4, strike "Section" and insert "Sections 487.40, Subdivision 2; and"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Gearty from the Committee on Elections, to which was referred

S. F. No. 1935: A bill for an act relating to ethics in government; requiring congressmen to file certain information with the Minnesota secretary of state.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 16, before the period, insert ", in a form required by the secretary of state"

Page 1, strike lines 17 to 21

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Purfeerst from the Committee on Transportation, to which was re-referred

S. F. No. 2072: A bill for an act relating to traffic regulation; allowing an authorized emergency vehicle to use an oscillating white light; amending Minnesota Statutes 1976, Section 169.55, Subdivision 1.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Purfeerst from the Committee on Transportation, to which was re-referred

S. F. No. 2073: A bill for an act relating to highway traffic regulation; concerning authorized emergency vehicles; expanding the definition to include a licensed land emergency ambulance service; amending Minnesota Statutes 1976, Section 169.01, Subdivision 5.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Purfeerst from the Committee on Transportation, to which was referred

S. F. No. 2192: A bill for an act relating to transportation; providing for the expenditure of certain portions of the county turn-back account on town road bridge structures; prohibiting funds for such expenditures to be declared surplus funds; amending Minnesota Statutes 1976, Sections 161.082, Subdivision 2a; and 161.084.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 16, strike "20" and insert "10"

Page 1, line 20, strike everything after the period

Page 1, strike lines 21 to 24

Page 2, strike lines 1 to 19

Re-number the remaining section

Amend the title as follows:

Page 1, strike line 5

Page 1, line 6, strike "declared surplus funds;"

Page 1, line 7, strike "Sections" and insert "Section"

Page 1, line 7, strike the semicolon and insert a period

Page 1, line 8, strike "and 161.084."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Wegener from the Committee on Local Government, to which was referred

S. F. No. 2234: A bill for an act relating to Ramsey county; changing the day of county board meetings; amending Laws 1974, Chapter 435, Section 2.05, as amended.

Reports the same back with the recommendation that the bill do pass and be placed on the Consent Calendar. Report adopted.

Mr. Wegener from the Committee on Local Government, to which was referred

S. F. No. 2239: A bill for an act relating to the city of St. Paul; providing and authorizing issuance of general obligation bonds for capital improvement budget purposes; amending Laws 1971, Chapter 773, Section 1, as amended.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, strike the new language in lines 18 to 20

Page 2, strike lines 1 to 11 and insert:

"Subd. 2 During the year 1980, the city of St. Paul is authorized to issue bonds in the aggregate principal amount of \$6,500,000, if St. Paul's local general obligation debt as defined in this section is less than six percent of such market value calculated as of December 31 of the preceding year."

And when so amended the bill do pass. Amendments adopted.
Report adopted.

Mr. Wegener from the Committee on Local Government, to which was referred

S. F. No. 2264: A bill for an act relating to statutory cities; providing for uniformity in bidding requirements for local government contracts; amending Minnesota Statutes 1976, Section 412.311.

Reports the same back with the recommendation that the bill do pass and be placed on the Consent Calendar. Report adopted.

Mr. Gearty from the Committee on Elections, to which was referred

S. F. No. 2308: A bill for an act relating to elections; providing that public facilities be available for precinct caucuses; fixing the charge for their use; amending Minnesota Statutes 1976, Section 202A.15, by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Strike everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1976, Chapter 202A, is amended by adding a section to read:

[202A.192] [USE OF PUBLIC FACILITIES.] *Every statutory city, home rule charter city, county, town, school district and other public agency, including the University of Minnesota and other public colleges and universities, shall make their facilities available for the holding of precinct caucuses and legislative district or county conventions required by chapter 202A. A charge for the use of the facilities may be imposed in an amount that does not exceed the lowest amount charged to any public or private group.*

Sec. 2. Minnesota Statutes 1976, Section 202A.65, Subdivision 3, is amended to read:

Subd. 3. [NOMINATING PETITIONS, TIME FOR FILING.] In all cases other than those provided in subdivision 2, nominating petitions shall be filed ~~not later than the seventh day during the filing period~~ preceding the election at which the vacancy is to be filled.

Sec. 3. [EFFECTIVE DATE.] *This act is effective the day following its final enactment.*

Amend the title as follows:

Page 1, line 4, after "use;" insert "providing for the filing of certain nominating petitions;"

Page 1, line 5, after "1976," insert "Chapter 202A, by adding a section; and"

Page 1, line 5, strike "202A.15, by" and insert "202A.65, Subdivision 3."

Strike line 6

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Olson from the Committee on General Legislation and Veterans Affairs, to which was referred

S. F. No. 2237: A bill for an act proposing an amendment to the Minnesota Constitution, Article XIII, Section 5; permitting parimutuel betting on races if authorized by law.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 8, strike "XIII" and insert "X"

Page 1, line 8, strike "5" and insert "7"

Page 1, strike lines 10-12 and insert:

"Sec. 7. The legislature may authorize and shall tax on-track parimutuel horseracing in a manner prescribed by law."

Page 1, line 16, after "parimutuel" insert "on-track"

Page 1, line 16, after "on" insert "horse"

Further amend the title as follows:

Page 1, line 3, strike "XIII" and insert "X"

Page 1, line 3, strike "5" and insert "7"

Page 1, line 4, after "on" insert "horse"

And when so amended the bill do pass and be re-referred to the Committee on Rules and Administration. Mr. Coleman questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

Mr. Willet from the Committee on Agriculture and Natural Resources, to which was referred

S. F. No. 1441: A bill for an act relating to outdoor recreation; providing for administration and control of additional sites by the Minnesota historical society; reclassifying certain existing parks; amending Minnesota Statutes 1976, Sections 85.012, 85.013, 85.014, 85.015, 85.016, 85.017, 85.018, 85.019, 85.020, 85.021, 85.022, 85.023, 85.024, 85.025, 85.026, 85.027, 85.028, 85.029, 85.030, 85.031, 85.032, 85.033, 85.034, 85.035, 85.036, 85.037, 85.038, 85.039, 85.040, 85.041, 85.042, 85.043, 85.044, 85.045, 85.046, 85.047, 85.048, 85.049, 85.050, 85.051, 85.052, 85.053, 85.054, 85.055, 85.056, 85.057, 85.058, 85.059, 85.060, 85.061, 85.062, 85.063, 85.064, 85.065, 85.066, 85.067, 85.068, 85.069, 85.070, 85.071, 85.072, 85.073, 85.074, 85.075, 85.076, 85.077, 85.078, 85.079, 85.080, 85.081, 85.082, 85.083, 85.084, 85.085, 85.086, 85.087, 85.088, 85.089, 85.090, 85.091, 85.092, 85.093, 85.094, 85.095, 85.096, 85.097, 85.098, 85.099, 85.100, 85.101, 85.102, 85.103, 85.104, 85.105, 85.106, 85.107, 85.108, 85.109, 85.110, 85.111, 85.112, 85.113, 85.114, 85.115, 85.116, 85.117, 85.118, 85.119, 85.120, 85.121, 85.122, 85.123, 85.124, 85.125, 85.126, 85.127, 85.128, 85.129, 85.130, 85.131, 85.132, 85.133, 85.134, 85.135, 85.136, 85.137, 85.138, 85.139, 85.140, 85.141, 85.142, 85.143, 85.144, 85.145, 85.146, 85.147, 85.148, 85.149, 85.150, 85.151, 85.152, 85.153, 85.154, 85.155, 85.156, 85.157, 85.158, 85.159, 85.160, 85.161, 85.162, 85.163, 85.164, 85.165, 85.166, 85.167, 85.168, 85.169, 85.170, 85.171, 85.172, 85.173, 85.174, 85.175, 85.176, 85.177, 85.178, 85.179, 85.180, 85.181, 85.182, 85.183, 85.184, 85.185, 85.186, 85.187, 85.188, 85.189, 85.190, 85.191, 85.192, 85.193, 85.194, 85.195, 85.196, 85.197, 85.198, 85.199, 85.200, 85.201, 85.202, 85.203, 85.204, 85.205, 85.206, 85.207, 85.208, 85.209, 85.210, 85.211, 85.212, 85.213, 85.214, 85.215, 85.216, 85.217, 85.218, 85.219, 85.220, 85.221, 85.222, 85.223, 85.224, 85.225, 85.226, 85.227, 85.228, 85.229, 85.230, 85.231, 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85.857, 85.858, 85.859, 85.860, 85.861, 85.862, 85.863, 85.864, 85.865, 85.866, 85.867, 85.868, 85.869, 85.870, 85.871, 85.872, 85.873, 85.874, 85.875, 85.876, 85.877, 85.878, 85.879, 85.880, 85.881, 85.882, 85.883, 85.884, 85.885, 85.886, 85.887, 85.888, 85.889, 85.890, 85.891, 85.892, 85.893, 85.894, 85.895, 85.896, 85.897, 85.898, 85.899, 85.900, 85.901, 85.902, 85.903, 85.904, 85.905, 85.906, 85.907, 85.908, 85.909, 85.910, 85.911, 85.912, 85.913, 85.914, 85.915, 85.916, 85.917, 85.918, 85.919, 85.920, 85.921, 85.922, 85.923, 85.924, 85.925, 85.926, 85.927, 85.928, 85.929, 85.930, 85.931, 85.932, 85.933, 85.934, 85.935, 85.936, 85.937, 85.938, 85.939, 85.940, 85.941, 85.942, 85.943, 85.944, 85.945, 85.946, 85.947, 85.948, 85.949, 85.950, 85.951, 85.952, 85.953, 85.954, 85.955, 85.956, 85.957, 85.958, 85.959, 85.960, 85.961, 85.962, 85.963, 85.964, 85.965, 85.966, 85.967, 85.968, 85.969, 85.970, 85.971, 85.972, 85.973, 85.974, 85.975, 85.976, 85.977, 85.978, 85.979, 85.980, 85.981, 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86.107, 86.108, 86.109, 86.110, 86.111, 86.112, 86.113, 86.114, 86.115, 86.116, 86.117, 86.118, 86.119, 86.120, 86.121, 86.122, 86.123, 86.124, 86.125, 86.126, 86.127, 86.128, 86.129, 86.130, 86.131, 86.132, 86.133, 86.134, 86.135, 86.136, 86.137, 86.138, 86.139, 86.140, 86.141, 86.142, 86.143, 86.144, 86.145, 86.146, 86.147, 86.148, 86.149, 86.150, 86.151, 86.152, 86.153, 86.154, 86.155, 86.156, 86.157, 86.158, 86.159, 86.160, 86.161, 86.162, 86.163, 86.164, 86.165, 86.166, 86.167, 86.168, 86.169, 86.170, 86.171, 86.172, 86.173, 86.174, 86.175, 86.176, 86.177, 86.178, 86.179, 86.180, 86.181, 86.182, 86.183, 86.184, 86.185, 86.186, 86.187, 86.188, 86.189, 86.190, 86.191, 86.192, 86.193, 86.194, 86.195, 86.196, 86.197, 86.198, 86.199, 86.200, 86.201, 86.202, 86.203, 86.204, 86.205, 86.206, 86.207, 86.208, 86.209, 86.210, 86.211, 86.212, 86.213, 86.214, 86.215, 86.216, 86.217, 86.218, 86.219, 86.220, 86.221, 86.222, 86.223, 86.224, 86.225, 86.226, 86.227, 86.228, 86.229, 86.230, 86.231, 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86.357, 86.358, 86.359, 86.360, 86.361, 86.362, 86.363, 86.364, 86.365, 86.366, 86.367, 86.368, 86.369, 86.370, 86.371, 86.372, 86.373, 86.374, 86.375, 86.376, 86.377, 86.378, 86.379, 86.380, 86.381, 86.382, 86.383, 86.384, 86.385, 86.386, 86.387, 86.388, 86.389, 86.390, 86.391, 86.392, 86.393, 86.394, 86.395, 86.396, 86.397,

divisions 14, 19 and 23; 138.53, Subdivisions 3, 5, 6 and 66; 138.55, Subdivision 21; 138.56, Subdivision 4; 138.57, Subdivision 10; 138.58, Subdivisions 9, 15, 24, 25, 27, 35, 47, 48, 51 and 59; and 138.585, Subdivisions 4, 5, 8, 11, 12, 14, 22, 23 and 24.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, strike Section 2

Page 3, strike Sections 14 and 16

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 7, strike "10,"

Page 1, line 8, strike "40," and "43,"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Olson from the Committee on General Legislation and Veterans Affairs, to which was re-referred

S. F. No. 1973: A resolution relating to the war in Southeast Asia; expressing the concern of the Minnesota Legislature for those MIAs and POWs that are unaccounted; urging action by the national leadership to end the heartache caused by the lack of information about these servicemen.

Reports the same back with the recommendation that the resolution do pass. Report adopted.

Mr. Anderson from the Committee on Energy and Housing, to which was referred the following appointment as reported in the Journal for February 2, 1978:

MINNESOTA HOUSING FINANCE AGENCY

Mark Kaplan

Reports the same back with the recommendation that the appointment be confirmed.

Mr. Coleman moved that the foregoing committee report be laid on the table. The motion prevailed.

Mr. Hughes from the Committee on Education, to which was referred

S. F. No. 1781: A bill for an act relating to education; school districts; providing for adjustments in certain school aid and tax levy procedures; amending Minnesota Statutes 1976, Sections 6.62, Subdivision 1; 121.904, Subdivision 7; 124.212, by adding a subdivision; 126.12; 134.03; 275.125, Subdivisions 15, 16 and 18; Minnesota Statutes, 1977 Supplement, Sections 275.07; 275.124; repealing Minnesota Statutes 1976, Sections 120.07 and 124.02.

Reports the same back with the recommendation that the bill be amended as follows:

Strike everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1976, Section 6.62, Subdivision 1, is amended to read:

6.62 [POST-AUDIT; TAX LEVY.] Subdivision 1. [LEVY OF TAX.] Counties, cities, and towns, and school districts are authorized, if necessary, to levy, over and above tax levy limitations for other governmental purposes, an amount sufficient to pay the expense of a post-audit by the state auditor.

A school district is authorized to levy an amount sufficient to pay for the expense of a post-audit by the state auditor if the audit is performed at the discretion of the state auditor pursuant to section 6.51 or if the audit has been requested through a petition by freeholders pursuant to section 6.54. A school district is not authorized to levy these amounts if the post-audit by the state auditor is requested by the school board pursuant to section 6.55.

Sec. 2. Minnesota Statutes 1976, Chapter 120, is amended by adding a section to read:

[120.075] *Any pupil who, pursuant to the provisions of Minnesota Statutes 1976, Section 120.065, or Minnesota Statutes, 1977 Supplement, Section 123.39, Subdivision 5a, was enrolled on January 1, 1978, in a school district of which he was not a resident may continue in enrollment in that district. This provision shall also apply to any younger brother or sister of that enrolled pupil who is related to that pupil by blood, adoption or marriage. The enrollment of that pupil or of the other qualified members of his family shall remain subject to the provisions of those sections as they read on January 1, 1978. Any district which had a pupil enrolled on January 1, 1978, pursuant to the provisions of Minnesota Statutes 1976, Section 120.065, or Minnesota Statutes, 1977 Supplement, Section 123.39, Subdivision 5a, shall report this fact to the commissioner prior to August 15, 1978.*

Sec. 3. Minnesota Statutes 1976, Section 120.17, Subdivision 3, is amended to read:

Subd. 3. [RULES OF THE STATE BOARD.] The state board shall promulgate rules relative to qualifications of essential personnel, courses of study or training, methods of instruction and training, pupil eligibility, size of classes, rooms, equipment, supervision, parent consultation and any other rules and standards it deems necessary, for instruction of handicapped children. These rules shall provide standards and procedures appropriate for the implementation of and within the limitations of subdivisions 3a and 3b. *These rules shall also provide standards for the discipline of handicapped children relating to control, management and protection of these children.*

Sec. 4. Minnesota Statutes 1976, Section 120.64, Subdivision 4, is amended to read:

Subd. 4. Any school district operating a flexible school year program shall enter into one contract governing the entire school year with each teacher employed in a flexible program. If individual teachers contract to teach less than a period of 175 days during a school year, each 175 days of employment accrued during any five year period after the adoption of a flexible year program shall be deemed consecutive and shall constitute a full year's employment for purposes of establishing and retaining continuing contract rights to a full school year position pursuant to sections 125.12, subdivisions 3 and 4, and 125.17, subdivisions 2 and 3. A teacher who has not been discharged or advised of a refusal to renew his contract by April 1 of the applicable date, as specified in section 125.12 or section 125.17, in the year in which he will complete the requisite number of days for securing a continuing contract shall have a continuing full school year contract with the district.

Sec. 5. Minnesota Statutes 1976, Section 120.73, is amended by adding a subdivision to read:

Subd. 2a. Students may be required to furnish their own transportation to and from an instructional community-based employment station which is part of an approved occupational experience secondary vocational program. As an alternative, a school board may require the payment of reasonable fees for transportation to and from these instructional community-based employment stations. This subdivision shall only be applied to students who receive remuneration for their participation in these programs.

Sec. 6. Minnesota Statutes 1976, Section 121.21, Subdivision 6, is amended to read:

Subd. 6. The state board for vocational education shall promulgate, pursuant to chapter 15, such rules and regulations governing the operation and maintenance of schools so classified as will afford the people of the state an equal opportunity to acquire public vocational and technical education. *Rules relating to post-secondary vocational-technical education shall not incorporate the provisions of the state plan for vocational education by reference.*

The rules shall provide for, but are not limited to, the following:

(a) The area to be served by each school, which may include one or more districts or parts thereof;

(b) Curriculum and standards of instruction and scholarship;

(c) Attendance requirements, age limits of trainees, Minnesota non-resident attendance, and the determination of the actual costs of providing individual programs, and attendance for which no tuition shall be charged, all to be determined in accordance with the provisions of sections 124.561 to 124.565;

(d) The distribution and apportionment to the local districts of all funds, whether state or federal or other funds which may be made available to the state board for vocational education for carrying out the purposes of post-secondary vocational-technical

education in accordance with law and the approved state plan for vocational education ;

(e) Transportation requirements and payment of aid therefor; and

(f) Payment by the state board of tuition to school districts or post-secondary vocational technical schools in another state; and

(g) (f) General administrative matters.

Sec. 7. Minnesota Statutes 1976, Section 121.216, is amended to read:

121.216 [VOCATIONAL-TECHNICAL INSTITUTES; STUDENT ASSOCIATIONS.] Every school board governing an area vocational-technical institute shall give recognition as an authorized extracurricular activity to an area vocational-technical institute student association affiliated with the Minnesota vocational-technical student association. The student association is authorized to collect a reasonable voluntary fee from students to finance the activities of the association in an amount determined by each association after consultation with the governing board of the area vocational-technical institute which has recognized it. No student shall be obligated to pay the fee or be excluded from the association's activities because of failure to pay the fee.

Every governing body which recognizes a student association shall deposit the fees in a student association fund. The moneys in this fund shall be available for expenditure for student recreational, social, welfare, and educational pursuits supplemental to the regular curricular offerings.

Sec. 8. Minnesota Statutes 1976, Section 121.904, Subdivision 7, is amended to read:

Subd. 7. Summer school aids shall be recognized as revenues and recorded as receivables during the in proportion to the total number of summer school days in each fiscal year in which the a summer school session ends occurs ; provided that nothing in this subdivision shall be construed to provide for a different rate of aid than that provided in section 124.20.

Sec. 9. Minnesota Statutes 1976, Section 121.904, is amended by adding a subdivision to read:

Subd. 11a. Beginning with payments received in fiscal year 1978, revenues received pursuant to sections 294.21 to 294.28; 298.23 to 298.28; 298.32; 298.34 to 298.39; 298.391 to 298.396; 298.405; 298.51 to 298.67; any law imposing a tax on severed mineral values or any other law distributing proceeds in lieu of ad valorem tax assessments on copper or nickel properties, shall be recognized as revenue in the school year received.

Sec. 10. The year end fund balances for the 1977 school year shall be adjusted as though the provisions of section 9 of this act had been effective at that time and the June 30, 1977 statutory operating debt of a district which received payment pursuant

to the provisions specified in section 9 of this act shall be recertified by the commissioner as though the revenue recognition provisions of section 9 of this act had been effective at that time.

Sec. 11. Minnesota Statutes, 1977 Supplement, Section 121.912, Subdivision 1, is amended to read:

121.912 [PERMANENT FUND TRANSFERS.] Subdivision 1. After July 1, 1977, no school district shall permanently transfer money from an operating fund to a nonoperating fund; provided, however, that permanent transfers may be made from an operating fund to any other fund to correct for prior fiscal years' errors discovered after the books have been closed for that year and, permanent transfers may be made from the general fund to eliminate deficits in another fund when that other fund is being discontinued, and permanent transfers may be made from the area vocational-technical school general fund to the area vocational-technical school capital expenditure fund.

Sec. 12. Minnesota Statutes 1976, Section 122.23, is amended by adding a subdivision to read:

Subd. 16a. As of the effective date of the consolidation, all referendum levies previously approved by voters of the component districts for those districts pursuant to section 275.125, subdivision 2a, clause (4), or its predecessor or successor, are cancelled. However, if all of the territory of one and only one independent district maintaining a secondary school is included in the newly created district, and if the assessed valuation of taxable property in that territory comprises 90 percent or more of the assessed valuation of all taxable property in the newly created district, the board of the newly created district may levy the increased amount previously approved by a referendum in the pre-existing independent district upon all taxable property in the newly created district. Any new referendum levy shall be certified only after approval is granted by the voters of the entire newly created district in an election pursuant to section 275.125, subdivision 2a, clause (4), or its successor referendum provision.

Sec. 13. Minnesota Statutes 1976, Section 122.23, is amended by adding a subdivision to read:

Subd. 16b. (1) In the year of the effective date of the consolidation, the newly created district may levy an amount per pupil unit equal to the sum of the products of the amounts per pupil unit levied pursuant to section 275.125, subdivisions 6 or 7, in each component district in the previous year times the number of pupil units from that component district who are enrolled in the newly created district in the year of the levy, divided by the total number of pupil units in the newly created district in the year of the levy.

(2) In each year thereafter, the newly created district shall be allowed to levy the same amount per pupil unit as allowed by clause (1) of this subdivision.

Sec. 14. Minnesota Statutes 1976, Section 122.23, is amended by adding a subdivision to read:

Subd. 16c. As of the effective date of the consolidation and subject to the conditions of section 275.125, subdivision 9a, all the taxable property in the newly created district which was previously taxable for the payment of any statutory operating debt theretofore incurred by any component district of which it was a part prior to the consolidation shall remain taxable for the payment of that debt. The amount of statutory operating debt attributable to that taxable property shall be apportioned according to the proportion which the adjusted assessed valuation of that part of the pre-existing district bears to the total adjusted assessed valuation of the entire pre-existing district at the time of the consolidation. This apportionment shall be made by the county auditor and shall be incorporated as an annex to the order of the commissioner dividing the assets and liabilities of the component parts. As used in this subdivision, "statutory operating debt" shall have the meaning given it in section 121.914.

Sec. 15. Minnesota Statutes 1976, Section 123.34, Subdivision 4, is amended to read:

Subd. 4. On July 1 of each year, The treasurer shall file with the clerk a report of his balances, receipts and disbursements by funds, for the year. Such report, together with his vouchers, shall be examined by the board and, if found correct, approved by resolution entered in the records. If incomplete or inaccurate, a further or amended report may be required by the board. He shall make such further all reports as which may from time to time be called for by the board and perform all duties usually incumbent on such officer.

Sec. 16. Minnesota Statutes 1976, Section 123.34, Subdivision 8, is amended to read;

Subd. 8. The clerk shall keep books provided by the district for that purpose a record of all meetings of the district and the board in books provided by the district for that purpose. He shall, within three days after an election notify all persons elected of their election and, . On or before August 1 of each year he shall file with the board a report of the revenues, expenditures and balances in each fund for the preceding fiscal year. The report together with vouchers and supporting documents shall be examined by a public accountant paid by the school district. The board shall by resolution approve the report or require a further or amended report. On or before July 10 in August 15 of each year, he shall make and transmit to the county superintendent a commissioner certified report reports , showing:

- (1) The condition and value of school property;*
- (2) The receipts revenues and disbursements expenditures in detail, and such other financial matter information required by law, rule, or as may be called for by the commissioner;*
- (3) The length of school term and the enrollment and attendance by grades;*
- (4) The names and post office addresses of all directors and other officers; and*

(5) (4) Such other items of information as may be called for by the commissioner.

He shall enter in his record book copies of all his reports and of the teachers' term reports, as they appear in the registers, and of the proceedings of any meeting as furnished him by the clerk pro tem; and keep an itemized account of all the expenses of the district. He shall furnish to the auditor of the proper county, on or before October 10 of each year, an attested copy of his record, showing the amount of money voted by the district or the board for school purposes; draw and sign all orders upon the treasurer for the payment of money for bills allowed by the board for salaries of officers and for teachers' wages and all claims, to be countersigned by the chairman. Such orders shall state the consideration, payee, and the fund and the clerk shall take a receipt therefor. Teachers' wages shall have preference in the order in which they become due, and no money applicable for teachers' wages shall be used for any other purpose, nor shall teachers' wages be paid from any fund except that raised or apportioned for that purpose.

Sec. 17. Minnesota Statutes 1976, Section 123.37, Subdivision 1b, is amended to read:

Subd. 1b. Notwithstanding the provisions of subdivision 1 or section 471.345, a contract for the transportation of school children may be made by direct negotiation, by obtaining two or more written quotations for the service when possible, or upon sealed bids. At least 30 days before awarding a directly negotiated contract, the school district shall, by published notice, request quotations for the service to be provided. All quotations obtained shall be kept on file for a period of at least one year after receipt thereof. If a contract is made by direct negotiation, negotiations shall be open to the public. If a contract is made upon sealed bids, the procedure for advertising and awarding bids shall conform to the provisions of subdivision 1 *except as otherwise provided in this subdivision*.

Notwithstanding the provisions of subdivision 1 or section 574.26, a performance bond shall be required of a contractor on a contract for the transportation of school children only when deemed necessary by and at the discretion of the school board.

Sec. 18. Minnesota Statutes 1976, Section 123.37, Subdivision 3, is amended to read:

Subd. 3. Any contract made by the board for the rental of rooms or buildings for school purposes, ~~or for the free transportation of pupils to and from school~~, or for the rental of any facility or facilities owned or operated by or under the direction of any private organization, shall be effective until disapproved by the commissioner, and all such contracts shall be submitted to him for approval immediately after being signed by the parties.

Sec. 19. Minnesota Statutes 1976, Section 123.37, Subdivision 4, is amended to read:

Subd. 4. The commissioner shall approve each such contract unless it appears from the information available to him that:

(a) The amount to be paid by the district concerned for the rooms or facilities rented ~~or for the transportation to be furnished~~, under such contract substantially exceeds the reasonable value thereof; or

(b) The rooms or facilities to be furnished are not reasonably required for or suitable to the operation of the schools of the district, ~~or the transportation contracted for is not suitable to the requirements of the district~~; or the contract does not provide adequately against any encroachment on or interference with the conduct of a public school; or

(c) The contract does not conform to law or a duly promulgated regulation of general application of the state board of education.

Sec. 20. Minnesota Statutes 1976, Section 123.39, is amended by adding a subdivision to read:

Subd. 8a. Notwithstanding the provisions of section 221.021, any public school district or school bus contractor providing transportation services to a school district on a regular basis in this state may operate school buses, excluding motor coach buses, for the purpose of providing transportation to nonpupils of the school district attending school events, as defined in section 123.38, subdivision 2a or 2b, provided that no person having a charter carrier permit has his principal office and place of business or bus terminal or garage within 25 miles of the principal office of the school district. School district owned buses and the operators thereof shall otherwise comply with the provisions of sections 123.18 and 123.39 and the rules of the state board of education and shall be insured in at least the amounts stated in section 466.04, subdivision 1. In all cases the total cost of providing such services, as determined by sound accounting procedures, shall be paid by charges made against those using the buses.

Sec. 21. Minnesota Statutes 1976, Section 123.39, is amended by adding a subdivision to read:

Subd. 8b. School districts may use school district owned or contractor operated school buses to provide transportation along regular school bus routes on a space available basis for senior citizens who are 62 years of age or older, provided that this use of a bus does not interfere with the transportation of pupils to and from school or other authorized transportation of pupils. In all cases, the total excess cost of providing these services, as determined by sound accounting procedures, shall be paid by charges made against those using these services or some third party payor. In no case shall the cost of this transportation be paid by the school district.

The provisions of section 65B.47, subdivision 4, shall be applicable to senior citizens being transported pursuant to this subdivision.

Sec. 22. Minnesota Statutes 1976, Section 124.15, Subdivision 2, is amended to read:

Subd. 2. Whenever the board of the district authorizes or permits within the district violations of the law by:

(1) employment in a public school of the district of a teacher who does not hold a valid teaching certificate or permit, or

(2) noncompliance with a mandatory rule or regulation of general application promulgated by the state board in accordance with statute in the absence of special circumstances making enforcement thereof inequitable, contrary to the best interest of, or imposing an extraordinary hardship on, the district affected, or

(3) continued performance by the district of a contract made for the rental of rooms or buildings for school purposes, ~~or for the free transportation of children to and from school~~ or for the rental of any facility owned or operated by or under the direction of any private organization, which contract has been disapproved where time for review of the determination of disapproval has expired and no proceeding for review is pending, or

(4) any practice which is a violation of sections 1 and 2 of article 13 of the Constitution of the state of Minnesota, or

(5) failure to provide reasonably for the school attendance to which a resident pupil is entitled under Minnesota Statutes, or

(6) noncompliance with state laws prohibiting discrimination because of race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance or disability, as defined in Minnesota Statutes 1974, Section 363.03, the special state aid to which a district is otherwise entitled for any school year shall be reduced in the amount and upon the procedure provided in this section or, in the case of the violation stated in clause (1), *upon the procedure provided in section 124.19, subdivision 3.*

Sec. 23. Minnesota Statutes 1976, Section 124.15, Subdivision 6, is amended to read:

Subd. 6. Reductions in special aid under this section shall be from foundation ~~program~~ aid. If there is not sufficient foundation ~~program~~ aid remaining to be paid for the school year in which the violation occurred, the reduction shall be from the other special aids payable to the district for that year in the order in which special state aids are listed in this code. If the violation is for performance of a contract for transportation, which has been disapproved, the primary reduction shall be from transportation aid. If reduction is for several violations one of which is continued performance of such a contract, the transportation aid will be the primary fund for reduction in the proportion that the violation for performance of such a contract bears to the total number of violations involved. If there is not a sufficient amount of special state aids remaining payable to the district for the school year in which the violation occurred to permit the full amount of reduction re-

quired, that part of the required reduction not taken from that school year's aids will be taken from the special state aids payable to the district for the next school year, and the reduction will be made from the various aids payable for the next year in the order above specified.

Sec. 24. Minnesota Statutes, 1977 Supplement, Section 124.17, Subdivision 1, is amended to read:

124.17 [DEFINITION OF PUPIL UNITS.] Subdivision 1. Pupil units for each resident pupil in average daily membership shall be counted as follows:

(1) In an elementary school, for kindergarten and for handicapped pre-kindergarten pupils as defined in section 120.03, and enrolled in one-half day sessions throughout the school year or the equivalent thereof, approved by the commissioner of education, one-half pupil unit and other elementary pupils, one pupil unit.

(2) In secondary schools, one and four-tenths pupil units. Pupils enrolled in the seventh and eighth grades of any school shall be counted as secondary pupils.

(4) To meet the problems of educational overburden caused by broken homes, poverty and low income, each pupil in clauses (1) and (2) from families receiving aid to families with dependent children or its successor program who is enrolled in the school district on October 1 shall be counted as an additional five-tenths pupil unit. By March 1 of each year the department of public welfare shall certify to the department of education, and to each school district to the extent the information pertains to it, that information concerning children from families with dependent children who were enrolled in the school district on the preceding October 1 which is necessary to calculate pupil units. Additional aids to a district for such pupils may be distributed on a delayed basis until the department of education publicly certifies that the information needed for paying such aids is available on such a timely basis that such aids may be paid concurrently with other foundation aids.

(5) In every district where the number of pupils from families receiving aid to families with dependent children or its successor program exceeds five percent of the total actual pupil units in the district for the same year, as computed in clauses (1) and (2), each such pupil shall be counted as an additional one-tenth of a pupil unit for each percent of concentration over five percent of such pupils in the district. The percent of concentration shall be rounded down to the nearest whole percent for purposes of this clause, provided that in districts where the percent of concentration is less than six, no additional pupil units shall be counted under this clause for pupils from families receiving aid to dependent children or its successor program and provided further that no such pupil shall be counted as more than one and ~~one-tenth~~ *fifteen one-hundredths* additional pupil units pursuant to clauses (4) and (5). Such weighting shall be in addition to the weighting provided in clauses (1), (2), (3), and (4). School

districts are encouraged to allocate a major portion of the aids that they receive on account of clauses (4) and (5) to primary grade programs and services, particularly to programs and services that involve participation of parents. Each district receiving aids on account of both clauses (4) and (5) shall establish and maintain accounts separate from all other district accounts for the receipt and disbursement of all such aids received.

(6) Where the total pupil units of a district are used as a multiplier in determining foundation aids and spending and levy limitations and where the actual number of pupil units has decreased from the prior year, the number of pupil units shall equal the greater of (a) the average of actual pupil units in the district for the two prior years and the current year or (b) the number of actual pupil units for the current year increased by .6 times the difference between the actual pupil units for the prior year and the current year. Only pupil units as computed in clauses (1) and (2) shall be included for purposes of computations made pursuant to this clause.

(7) In districts maintaining classified secondary schools where the actual number of pupil units has increased from the prior year by two percent or more, the additional pupil units over the prior year, as computed in clauses (1) and (2), shall be multiplied times one-tenth for each percent of increase over the prior year and a number of pupil units equal to the product shall be added to the other units for the district. The percent of increase shall be rounded up to the next whole percent for purposes of this clause, provided that in districts where the percent of increase is less than two, no additional pupil units shall be added to the other units for the district and provided further that the number of pupil units of increase over the prior year shall under no circumstances be multiplied by more than five-tenths.

(8) Only pupil units in clauses (1) and (2) shall be used in computing adjusted maintenance cost per pupil unit.

Sec. 25. Minnesota Statutes 1976, Section 124.17, is amended by adding a subdivision to read:

Subd. 2c. Notwithstanding the provisions of subdivision 2, in any case where pupils are prevented from attending school for more than 15 consecutive days because of epidemic, calamity, weather, fuel shortage, or other justifiable cause, the state board, upon application, may allow the district to continue to count these pupils in average daily membership.

Sec. 26. Minnesota Statutes, 1977 Supplement, Section 124.212, Subdivision 5a, is amended to read:

Subd. 5a. (1) In the 1977-1978 school year and each school year thereafter, the amount of money apportioned to a school district ~~in~~ for that year pursuant to section 124.10, subdivision 2 which exceeds the amount apportioned to that district pursuant to section 124.10, subdivision 2 ~~in~~ for the 1976-1977 school year, shall be deducted from the foundation aid earned by that district for the same year.

(2) In addition to the deduction in clause (1), the following amounts apportioned pursuant to section 124.10, subdivision 2 shall be deducted from foundation aid ~~in for~~ the school years designated:

(a) In the 1977-1978 school year, one-sixth of the amount apportioned, but not to exceed one-sixth of the amount apportioned ~~in for~~ the 1976-1977 school year;

(b) In the 1978-1979 school year, one-third of the amount apportioned, but not to exceed one-third of the amount apportioned ~~in for~~ the 1976-1977 school year;

(c) In the 1979-1980 school year, one-half of the amount apportioned, but not to exceed one-half of the amount apportioned ~~in for~~ the 1976-1977 school year;

(d) In the 1980-1981 school year, two-thirds of the amount apportioned, but not to exceed two-thirds of the amount apportioned ~~in for~~ the 1976-1977 school year; and

(e) In the 1981-1982 school year, five-sixths of the amount apportioned, but not to exceed five-sixths of the amount apportioned ~~in for~~ the 1976-1977 school year.

(3) In the 1982-1983 school year and each school year thereafter, the entire amount of money apportioned to a school district ~~in for~~ that year pursuant to section 124.10, subdivision 2, shall be deducted from the foundation aid earned by that district for the same year.

Sec. 27. Minnesota Statutes, 1977 Supplement, Section 124.212, Subdivision 8a, is amended to read:

Subd. 8a. (1) Notwithstanding any provisions of any other law to the contrary, the adjusted assessed valuation used in calculating foundation aid shall include only that property which is currently taxable in the district. For districts which received payments under sections 124.215, subdivision 2a; 124.25; 124.28; 124.30; 473.633 and 473.635; the foundation aid shall be reduced by: The previous year's payment to the district pursuant to said sections times the ratio of the maximum levy allowed the district under section 275.125, subdivision 2a, to the total levy allowed by section 275.125, but not to exceed 50 percent of the previous year's payment.

(2) For districts which received payments under sections 294.21 to 294.28; 298.23 to 298.28; 298.32; 298.34 to 298.39; 298.391 to 298.396; 298.405; 298.51 to 298.67; any law imposing a tax upon severed mineral values, or under any other law distributing proceeds in lieu of ad valorem tax assessments on copper or nickel properties; the foundation aid shall be reduced in the October adjustment payment by the previous fiscal year's payment to the district pursuant to said sections times the ratio of the maximum levy allowed the district under section 275.125, subdivision 2a, to the total levy allowed by section 275.125 for collection in the calendar year ending during the aforementioned fiscal year, but not to exceed 50 percent of the previous fiscal year's payment difference between the dollar amount of the payments received pursuant to

those sections in the fiscal year to which the October adjustment is attributable and the amount which was calculated, pursuant to section 275.125, subdivision 9, as a reduction of the levy attributable to the fiscal year to which the October adjustment is attributable . If the October adjustment of a district's foundation aid for a fiscal year is a negative amount because of this clause, the next fiscal year's foundation aid to that district shall be reduced by this negative amount in the following manner: there shall be withheld from each monthly scheduled foundation aid payment due the district in such fiscal year, 15 percent of the total negative amount, until the total negative amount has been withheld . The amount reduced from foundation aid pursuant to this clause shall be recognized as revenue in the fiscal year to which the October adjustment payment is attributable.

Sec. 28. Minnesota Statutes 1976, Section 124.212, Subdivision 20, is amended to read:

Subd. 20. No adjustments to foundation aid payments resulting from omissions in school district reports, except those adjustments determined by the legislative auditor, shall be made for any school year after December 15 of the next school year. Any school district educating children who are residents of another school district shall notify the district of residence within 60 days of the date the child is determined by the district to be a nonresident, but not later than October 1 following the end of the school year in which the child is educated. If the district of residence does not receive a notification from the providing district pursuant to this subdivision, it shall not be liable to that district for any tuition billing received after October 1 of the next school year. If a commissioner of a state agency, or his representative or agent, or a court of the state of Minnesota desires to place a child in a school district which is not his district of residence, that commissioner or court shall, prior to placement, notify the district of attendance, the district of residence, and the commissioner of education of its intention.

Sec. 29. Minnesota Statutes, 1977 Supplement, Section 124.214, is amended to read:

124.214 [AID ADJUSTMENTS.] *Subdivision 1. [OMISSIONS.] No adjustments to any aid payments made pursuant to this chapter, resulting from omissions in school district reports, except those adjustments determined by the legislative auditor, shall be made for any school year after December 15 of the next school year, unless otherwise specifically provided by law.*

Subd. 2. [ABATEMENTS.] Whenever by virtue of chapter 278, sections 270.07, 375.192, or otherwise, the assessed valuation of any school district for any taxable year is reduced after the taxes for that year have been spread by the county auditor and whenever the mill rate as determined by the county auditor based upon the original assessed valuation is applied upon such reduced valuations and produces an amount at least \$1,000 less than the full amount of taxes as actually levied and certified for such taxable year upon the original assessed valuation, that school district

may, prior to May 1 of 1978 or February 1 of any year thereafter, certify to the department of revenue the amount of the assessed valuation that was reduced and the amount of the resulting loss of revenue to the school district. Prior to June 1 of 1978 or April 1 of any year thereafter, the equalization aid review committee shall recalculate the adjusted assessed valuation of the taxable property in that district and certify this new valuation to the commissioner of education. The commissioner shall recompute the foundation aid, transportation aid, capital expenditure equalization aid, and post-secondary vocational foundation aid of that district on the basis of the recalculated adjusted assessed valuation. Payment adjustments to the district shall be made as soon as possible, but not later than October 31 of the following fiscal year.

Sec. 30. Minnesota Statutes 1976, Section 124.222, is amended by adding a subdivision to read:

Subd. 2b. For the 1978-1979 school year and thereafter, the state shall pay 50 percent of the cost of the transportation authorized pursuant to section 124.223, clause (9), but not to exceed a cost of \$100 per pupil. Transportation which receives aid pursuant to this subdivision shall not also receive aid pursuant to subdivisions 1a, 1b or 2a.

Sec. 31. Minnesota Statutes, 1977 Supplement, Section 124.222, Subdivision 6, is amended to read:

Subd. 6. [BASE COST ADJUSTMENTS.] For the purposes of payment of transportation aids in the 1978 fiscal year and thereafter, the commissioner of education may adjust the base cost per eligible pupil transported during the 1976 fiscal year to reflect changes in costs resulting from the following:

(a) Alterations in school district boundaries if application is made prior to December 15 of the school year following the year in which the alterations are made;

(b) Omissions in school district reports if application is made prior to December 15, 1977;

(c) The addition by the district of an authorized transportation aid category if that category of transportation was not provided during the 1976 fiscal year if application is made prior to December 15 of the school year following the year in which the additional transportation is provided;

(d) Omissions in school district reports determined by the legislative auditor;

(e) Increased costs resulting from changes in transportation patterns required by a schoolhouse closing provided that (1) the cost increases can be demonstrated to be a direct result of the closing; (2) the increases result in costs above the formula limitation; and (3) application is made prior to December 15 of the school year following the last school year in which the schoolhouse is open ;

(f) Increased costs resulting from changes in transportation patterns caused by a schoolhouse opening provided that (1) the cost increases can be demonstrated to be a direct result of the opening; (2) the increases result in costs above the formula limitation; and (3) application is made prior to December 15, 1978 or December 15 of the school year following the first school year in which the schoolhouse is open, whichever is later.

In the 1978 fiscal year and thereafter, the commissioner shall appropriately adjust the base cost per eligible pupil transported during the 1976 fiscal year to reflect changes in the treatment of depreciation and qualification for depreciation aid resulting from changes in school bus fleet ownership from district owned and managed to privately owned and contracted or from privately owned and contracted to district owned and managed. Districts shall report any such changes to the commissioner within 60 days of the date the changes are made.

Prior to making any base cost change pursuant to this subdivision, the department shall examine the appropriate factors that relate to the determination of the authorized transportation costs and aid for that district.

Sec. 32. Minnesota Statutes, 1977 Supplement, Section 124.223, is amended to read:

124.223 [TRANSPORTATION AID AUTHORIZATION.] For the 1977-1978 school year and thereafter, school transportation and related services for which state transportation aid is authorized are:

(1) Transportation or board of resident pupils who reside one mile or more from the public schools which they could attend, or transportation to, from, or between the schools they attend pursuant to a program approved by the commissioner of education, or who reside one mile or more from a private school actually attended, but only to the extent permitted by sections 123.76 to 123.79 with respect to private school pupils;

(2) Transportation to and from or board and lodging in another district, of resident pupils of a district without a secondary school; the pupils may attend a classified secondary school in another district and shall receive board and lodging in or transportation to and from a district having a classified secondary school at the expense of the district of the pupil's residence;

(3) Transportation to and from a state board approved secondary vocational center for secondary vocational classes for resident pupils of any of the districts who are members of or participating in programs at that center;

(4) Transportation or board and lodging of a handicapped pupil when that pupil cannot be transported on a regular school bus, and the conveying of handicapped pupils between home and school and within the school plant;

(5) When necessary, board and lodging for nonresident handicapped pupils in a district maintaining special classes;

(6) Transportation from one educational facility to another within the district for resident pupils enrolled on a shared time basis in educational programs approved by the commissioner of education;

(7) Transportation for residents to and from the Minnesota school for the deaf or the Minnesota braille and sight-saving school;

(8) Services described in clauses (1) to (7) when provided in conjunction with a state board approved summer school program; and

(9) Transportation to, from or between educational facilities located in any of two or more school districts jointly offering academic classes *approved by the commissioner* for resident pupils of any of these districts ; ~~if this transportation is provided in conjunction with transportation of resident pupils to a state board approved secondary vocational center .~~

Sec. 33. Minnesota Statutes 1976, Chapter 124, is amended by adding a section to read:

[124.311] [TRAVEL AID.] *Subdivision 1. In the 1978-1979 school year and thereafter, the state shall pay to any school district, combination or association of school districts, educational cooperative service unit or cooperative center 50 percent of the costs of necessary travel within the state incurred for accompanying students on an educational project by any teacher, instructor, counselor, advisor, specialist, consultant, nurse, librarian, assistant principal, principal, assistant superintendent, assistant deputy superintendent, deputy superintendent, superintendent, assistant supervisor, supervisor, assistant director, director, executive director, assistant coach, coach, administrator, or any other professional personnel required to hold a license. The governing board of each unit shall determine if the travel is incurred for a valid education purpose.*

Subd. 2. The state shall pay each unit specified in subdivision 1 30 percent of its estimated travel aid on or before the following dates: August 31, December 31, and March 31. The final aid distribution shall be made on or before October 31 of the following school year. All travel aid shall be computed and distributed by the state aids section of the state department of education.

Subd. 3. A district which receives travel aid pursuant to this section shall not receive aid for that same travel pursuant to section 124.573 or 124.574.

Sec. 34. Minnesota Statutes, 1977 Supplement, Section 124.32, Subdivision 1b, is amended to read:

Subd. 1b. (1) For special instruction or training and services provided for any pupil pursuant to section 120.17, subdivision 2, clause (h), by contract with public, private or voluntary agencies other than Minnesota school districts, the state shall pay each district 60 percent of the difference between the amount of the

contract and the foundation aid formula allowance of the district for that pupil or a pro rata portion of the foundation aid formula allowance for pupils who receive services by contract on less than a full time basis.

(2) For special instruction or training and services provided for a pupil by such a contract as part of a summer school program, the state shall pay each district 60 percent of the difference between the amount of the contract and the foundation aid received by the district for that pupil pursuant to section 124.20, or a pro rata portion of that foundation aid for a pupil who receives services by such a contract on less than a full time summer school basis. This clause shall be effective for the 1977 summer school and thereafter.

Sec. 35. Minnesota Statutes, 1977 Supplement, Section 124.32, Subdivision 5, is amended to read:

Subd. 5. When a handicapped child is placed in a residential facility approved by the commissioner and established primarily to serve handicapped children and when the child's educational program is approved by the commissioner, the state shall pay to the resident district not to exceed 60 percent of the difference between the instructional costs charged to the resident district ; less and the foundation aid formula allowance in the resident district , for each handicapped child placed in a residential facility. Not more than \$500,000 \$550,000 for 1977-1978 and \$600,000 for 1978-1979 shall be paid for the purposes of this subdivision. If that amount does not suffice, the aid shall be prorated among all qualifying districts.

The following types of facilities may be approved by the commissioner:

(a) A residential facility operated by *the state* or a public school district and designed to serve the low incidence handicapped, the multiple handicapped, or the most severely handicapped children ; ~~either within or outside of the state ; or a state residential school outside of the state .~~

(b) A private, nonsectarian residential facility designed to provide educational services for handicapped children ~~either within or outside of the state.~~

(c) A state hospital or private nonsectarian residential center designed to provide care and treatment for handicapped children.

Sec. 36. Minnesota Statutes, 1977 Supplement, Section 124.32, Subdivision 7, is amended to read:

Subd. 7. Before May 1 of each year, each district providing special instruction and services to handicapped children shall submit to the commissioner an application for approval of these programs and their budgets for the next school year. The application shall include an enumeration of the costs proposed as eligible for state aid pursuant to this section and of the estimated number and grade level of handicapped children in the district who will re-

ceive special instruction and services during the next school year. The application shall also include any other information deemed necessary by the commissioner for the calculation of state aid and for the evaluation of the necessity of the program, the necessity of the personnel to be employed in the program, *the necessity of state aids for the conduct of the program*, and the program's compliance with the rules and standards of the state board. The commissioner shall review each application in order to determine whether the program and the personnel to be employed in the program are actually necessary and essential to meet the district's obligation to provide special instruction and services to handicapped children pursuant to section 120.17. The commissioner shall not approve aid pursuant to this section for any program or for the salary of any personnel he determines to be unnecessary or unessential on the basis of this review. *The commissioner may also disapprove all or any portion of the aid for programs funded by any sources of public funds other than state foundation aid and school district levy receipts.* On or before July 1 of each year, the commissioner shall approve, disapprove or modify each application, and notify each applying district of his action and of the estimated amount of aid for the programs. The commissioner shall provide procedures for districts to submit additional applications for program and budget approval during the school year, for programs needed to meet any substantial changes in the needs of handicapped children in the district.

Sec. 37. Minnesota Statutes, 1977 Supplement, Section 124.562, Subdivision 1, is amended to read:

124.562 [POST-SECONDARY VOCATIONAL FOUNDATION AID.] Subdivision 1. A district shall receive post-secondary vocational foundation aid in the amount of \$2,120 for fiscal year 1978 and \$2,240 for fiscal year 1979, times the number of post-secondary vocational-technical pupils in average daily membership, as defined in subdivision 2, less the sum of (1) any amounts received as tuition and fees for post-secondary vocational-technical pupils, *including application fees but not including student activity fees allowed pursuant to section 121.216*, (2) the amount raised by the ~~minimum~~ discretionary levy ~~required~~ *allowed* by section 275.125, subdivision 13, for collection in the calendar year ending in that fiscal year, and (3) any amounts received for post-secondary vocational programs as federal vocational categorical aid and as special grants from state allocations of federal vocational funds, unless these grants are used to fund additional services beyond the normal program.

Sec. 38. Minnesota Statutes, 1977 Supplement, Section 124.563, Subdivision 1, is amended to read:

124.563 [POST-SECONDARY VOCATIONAL CATEGORICAL AND CAPITAL EXPENDITURE AID.] Subdivision 1. "Post-secondary vocational categorical aid" means all state and federal funds, exclusive of post-secondary vocational foundation, capital expenditure and debt service aid, apportioned by the state board for vocational education to local school districts for the

purpose of assisting in the conduct of post-secondary vocational-technical training. No district shall qualify for post-secondary vocational categorical aid unless it has certified the minimum levy required by section 275.125, subdivision 13. This aid shall be given to districts conducting high cost programs which require funds in addition to the post-secondary vocational foundation aid provided, including vocational education programs for handicapped or disadvantaged persons and support services necessary to provide vocational education in the least restrictive setting possible. Post-secondary vocational categorical aid shall not be allocated by the state board or expended by a district for any of the purposes for which post-secondary vocational capital expenditure aid is allocated or expended.

Sec. 39. Minnesota Statutes 1976, Section 124.563, Subdivision 2, is amended to read:

Subd. 2. "Post-secondary vocational capital expenditure aid" means state and federal funds exclusive of post-secondary vocational foundation, categorical and debt service aid, apportioned by the state board for vocational education to local school districts for the purpose of improving or repairing school sites or equipping, re-equipping, repairing or improving buildings and permanent attached fixtures, as necessary for the conduct of post-secondary vocational-technical training. No district shall qualify for post-secondary vocational capital expenditure aid unless it has certified the minimum levy required by section 275.125, subdivision 13. Post-secondary vocational capital expenditure aid shall be utilized solely for the purposes enumerated in this subdivision.

Sec. 40. Minnesota Statutes 1976, Section 124.565, is amended by adding a subdivision to read:

Subd. 6. Notwithstanding the provisions of subdivisions 3 and 5 of this section, there shall be no charge for tuition at a post-secondary vocational-technical school for any person who (1) entered active military service in any branch of the armed forces of the United States before July 1, 1977, (2) was a Minnesota resident at the time of induction into the armed forces and had been a Minnesota resident during the six months immediately preceding induction, (3) is separated or discharged from active military service under conditions other than dishonorable prior to July 1, 1981, and (4) applies for admission to the school before his 29th birthday. Time after separation or discharge from military service spent as an inpatient in a hospital or similar institution for treatment of an illness or disability or in recovery from an illness or disability that prevents gainful occupation or study shall be added to the time allowed for application.

Sec. 41. Minnesota Statutes, 1977 Supplement, Section 124.572. Subdivision 3, is amended to read:

Subd. 3. This aid shall be paid only for services rendered or for travel costs incurred in adult vocational education programs approved by the state department of education and operated in accordance with rules promulgated by the state board; provided,

in 1977-78 the department may pay this aid for programs operated in accordance with the state plan for vocational education and current state board rules. By 1978-1979, these rules shall provide minimum student-staff ratios required for an adult vocational education program to qualify for this aid. ~~Except as provided in section 125.185, subdivision 4,~~ By 1978-1979, rules relating to adult vocational education programs shall not incorporate the provisions of the state plan for vocational education by reference.

Sec. 42. Minnesota Statutes, 1977 Supplement, Section 124.573, Subdivision 2, is amended to read:

Subd. 2. In the 1978-1979 school year and thereafter, the state shall pay to any district or cooperative center 50 percent of the salaries paid to essential, licensed personnel in that school year for services rendered in that district's or center's secondary vocational education programs. In addition, the state shall pay 50 percent of the costs of necessary equipment for these programs and 50 percent of the costs of necessary travel between instructional sites by secondary vocational education teachers. *Aid shall be allowed for travel to and from local, regional, district or state vocational student organization meetings by secondary vocational education teachers accompanying student members of that organization on an educational project.* The aid paid by the state for salaries, equipment and travel pursuant to this subdivision shall be reduced by any authorized federal vocational aid funds paid by the department to that district or center for secondary vocational education programs.

Sec. 43. Minnesota Statutes, 1977 Supplement, Section 124.573, Subdivision 3, is amended to read:

Subd. 3. This aid shall be paid only for services rendered or for the costs designated in subdivision 2 which are incurred in secondary vocational education programs approved by the state department of education and operated in accordance with rules promulgated by the state board. These rules shall provide minimum student-staff ratios required for a secondary vocational education program in a cooperative center to qualify for this aid, but shall not require any minimum number of program offerings or administrative staff, *any minimum period of coordination time or extended employment for secondary vocational education personnel,* or the availability of vocational student activities or organizations for a secondary vocational education program to qualify for this aid. The requirement in these rules that program components be available for a minimum number of hours shall not be construed to prevent pupils from enrolling in secondary vocational education courses on an exploratory basis for less than a full school year. *No rules promulgated by the state board pursuant to any statute shall require a district to offer secondary vocational education.* ~~Except as provided in section 125.185, subdivision 4,~~ Rules relating to secondary vocational education programs shall not incorporate the provisions of the state plan for vocational education by reference. This aid shall be paid only for services rendered and for travel costs in-

curred by essential, licensed personnel who meet the work experience requirements for licensure pursuant to the state plan for vocational education.

Sec. 44. Minnesota Statutes, 1977 Supplement, Section 124.573, is amended by adding a subdivision to read:

Subd. 3a. In addition to the provisions of subdivisions 2 and 3 of this section, a school district or cooperative center may contract with a public or private agency other than a Minnesota school district or cooperative center for the provision of secondary vocational education services. In the 1978-1979 school year and thereafter, the state shall pay each district or cooperative center 40 percent of the amount of a contract entered into pursuant to this subdivision. The state board shall promulgate rules relating to program approval procedures and criteria for these contracts and aid shall be paid only for contracts approved by the commissioner of education. For the purposes of subdivision 4, the district or cooperative center contracting for these services shall be construed to be providing the services. For the purposes of subdivision 5, aid for these contracts shall be distributed on the same basis as aids for salaries and travel.

Sec. 45. Minnesota Statutes 1976, Chapter 124, is amended by adding a section to read:

[124.574] [SECONDARY VOCATIONAL EDUCATION FOR HANDICAPPED CHILDREN.] *Subdivision 1. The purpose of this section is to provide a method to fund programs for secondary vocational education for handicapped children which would otherwise qualify for aid under the provisions of sections 124.32 or 124.573. As used in this section, the term "handicapped children" shall have the meaning ascribed to it in section 120.03.*

Subd. 2. In the 1978-1979 school year and thereafter, the state shall pay to any district or cooperative center the greater of:

(a) 50 percent of the salaries paid to essential licensed personnel in that school year for services rendered in that district's or center's secondary vocational education programs for handicapped children; or

(b) 65 percent of the salaries paid to essential licensed personnel in that school year for services rendered in that district's or center's secondary vocational education programs for handicapped children, but not to exceed \$12,000 for the normal school year for each such full time person employed, or a pro rata amount for a part time person or a person employed for a limited time; plus an additional five percent of the salaries paid such essential licensed personnel.

Subd. 3. In addition to the provisions of subdivision 2, the state shall pay:

(a) 50 percent of the costs of necessary equipment for these secondary vocational education programs for handicapped children;

(b) 50 percent of the costs of necessary travel between instructional sites by secondary vocational education teachers of handicapped children, including travel by those teachers to and from local, regional, district or state vocational student organization meetings when accompanying student members of that organization on an educational project; and

(c) 50 percent of the costs of necessary supplies for these secondary vocational education programs for handicapped children, but not to exceed an average of \$50 in any one school year for each handicapped child receiving these services.

Subd. 4. In addition to the provisions of subdivisions 2 and 3 of this section, a school district may contract with a public or private agency other than a Minnesota school district or cooperative center for the provision of secondary vocational education programs for handicapped children. The formula for payment of aids for these contracts in the 1978-1979 school year and thereafter shall be that provided in section 124.32, subdivision 1b. The state board shall promulgate rules relating to approval procedures and criteria for these contracts and aid shall be paid only for contracts approved by the commissioner of education. For the purposes of subdivision 6 of this section, the district or cooperative center contracting for these services shall be construed to be providing these services. For the purposes of subdivision 8 of this section, aid for these contracts shall be distributed on the same basis as aids for salaries, supplies and travel.

Subd. 5. The aid provided pursuant to this section shall be paid only for services rendered as designated in subdivision 2 or for the costs designated in subdivision 3 which are incurred in secondary vocational education programs for handicapped children which are approved by the commissioner of education and operated in accordance with rules promulgated by the state board. These rules shall be subject to the restrictions provided in section 124.573, subdivision 3. The procedure for application for approval of these programs shall be as provided in section 124.32, subdivisions 7 and 10 and the application review process shall be conducted jointly by the division of special and compensatory education and the division of vocational-technical education of the state department.

Subd. 6. All aid pursuant to this section shall be paid to the district or cooperative center providing the services. All aid received by a district or center from any source for secondary vocational education for handicapped children shall be utilized solely for that purpose.

Subd. 7. A district shall not receive aid pursuant to section 124.32 or section 124.573 for salaries, supplies, travel or equipment for which the district receives aid pursuant to this section.

Subd. 8. All aid pursuant to this section shall be distributed at the same times and in the same manner as provided in section 124.573, subdivision 5. Aid for supplies shall be distributed at the same time as aid for salaries and travel.

Sec. 46. Minnesota Statutes 1976, Section 125.12, Subdivision 6a, is amended to read:

Subd. 6a. [NEGOTIATED UNREQUESTED LEAVE OF ABSENCE.] The school board and the exclusive bargaining representative of the teachers may negotiate a plan providing for unrequested leave of absence without pay or fringe benefits for as many teachers as may be necessary because of discontinuance of position, lack of pupils, financial limitations, or merger of classes caused by consolidation of districts. Failing to successfully negotiate such a plan by the beginning date of a new master contract, the provisions of subdivision 6b shall apply. The provisions of section 179.72 shall not apply for the purposes of this subdivision.

Sec. 47. Minnesota Statutes 1976, Section 125.12, Subdivision 6b, is amended to read:

Subd. 6b. [UNREQUESTED LEAVE OF ABSENCE.] The school board may place on unrequested leave of absence, without pay or fringe benefits, as many teachers as may be necessary because of discontinuance of position, lack of pupils, financial limitations, or merger of classes caused by consolidation of districts. The unrequested leave shall be effective at the close of the school year. In placing teachers on unrequested leave, the board shall be governed by the following provisions:

(a) The board may place probationary teachers on unrequested leave first in the inverse order of their employment. No teacher who has acquired continuing contract rights shall be placed on unrequested leave of absence while probationary teachers are retained in positions for which the teacher who has acquired continuing contract rights is certified;

(b) Teachers who have acquired continuing contract rights shall be placed on unrequested leave of absence in fields in which they are certified in the inverse order in which they were employed by the school district. In the case of merger of classes caused by consolidation of districts or in the case of equal seniority, the order in which teachers who have acquired continuing contract rights shall be placed on unrequested leave of absence in fields in which they are certified shall be negotiable;

(c) Notwithstanding clauses (a) and (b), if either the placing of a probationary teacher on unrequested leave before a teacher who has acquired continuing rights or the placing of a teacher who has acquired continuing contract rights on unrequested leave before another teacher who has acquired continuing contract rights but who has greater seniority would place the district in violation of its affirmative action program, the district may retain the probationary teacher or the teacher with less seniority;

(d) Teachers placed on unrequested leave of absence shall be reinstated to the positions from which they have been given leaves of absence or, if not available, to other available positions in the school district in fields in which they are certified. Reinstatement shall be in the inverse order of placement on leave of absence. The order of reinstatement of teachers who have equal seniority and who are placed on unrequested leave in the same school year shall be negotiable;

(e) Teachers, other than probationary teachers, terminated under Minnesota Statutes 1971, Section 125.12, Subdivision 6, Clause (e), in the 1973-74 school year shall be reinstated to the positions from which they have been terminated or, if not available, to other available positions in the school district in fields in which they are certified. Reinstatement shall be in the order of seniority. The order of reinstatement of continuing contract teachers who have equal seniority and who are terminated under Minnesota Statutes 1971, Section 125.12, Subdivision 6, Clause (e) in the 1973-74 school year shall be negotiable. These teachers shall also be subject to clauses (f), (g), (h), (i), and (k) of this subdivision.

(f) No appointment of a new teacher shall be made while there is available, on unrequested leave, a teacher who is properly certified to fill such vacancy, unless the teacher fails to advise the school board within 30 days of the date of notification that a position is available to him, that he may return to employment and that he will assume the duties of the position to which appointed on a future date determined by the board;

(g) A teacher placed on unrequested leave of absence may engage in teaching or any other occupation during the period of this leave;

(h) The unrequested leave of absence shall not impair the continuing contract rights of a teacher or result in a loss of credit for previous years of service;

(i) The unrequested leave of absence of a teacher *who is placed on unrequested leave of absence prior to January 1, 1978 and who is not reinstated shall continue for a period of two years after which the right to reinstatement shall terminate; the unrequested leave of absence of a teacher who is placed on unrequested leave of absence on or after January 1, 1978 and who is not reinstated shall continue for a period of five years, provided the teacher files with the board by April 1 each year a written statement requesting reinstatement, after which the right to reinstatement shall terminate;*

(j) The same provisions applicable to terminations of probationary or continuing contracts in subdivisions 3 and 4 shall apply to placement on unrequested leave of absence;

(k) Nothing in this subdivision shall be construed to impair the rights of teachers placed on unrequested leave of absence to receive unemployment compensation if otherwise eligible.

Sec. 48. Minnesota Statutes 1976, Section 125.185, Subdivision 4, is amended to read:

Subd. 4. The board shall develop and create rules for the licensure of public school teachers and interns, which shall be submitted to the state board of education for approval, and from time to time the board of teaching shall revise or supplement the rules for licensure of public school teachers subject to approval by the state board of education. It shall be the duty of the board of teaching to establish rules for the approval of teacher educa-

tion programs subject to approval by the board of education. Subject to rules approved by the board of education, the board of teaching shall also grant licenses to interns and to candidates for original licenses and receive recommendations from local committees as established by the board of teaching for the renewal of teaching licenses, to grant life licenses to those who qualify according to requirements established by the board of teaching, and suspend or revoke licenses pursuant to sections 125.09 and 214.10. With regard to vocational education teachers the board of teaching shall adopt and maintain as its rules the *rules of the state plan board* for vocational education.

In the event the state board of education disapproves any proposal from the board of teaching, it shall give written notice of such disapproval within 60 days after the receipt of the proposal including its reasons. Any proposal disapproved by the state board may be resubmitted by the board of teaching at any time after the expiration of 45 days after the date of disapproval.

Sec. 49. Minnesota Statutes 1976, Section 125.185, is amended by adding a subdivision to read:

Subd. 4a. Prior to the adoption by the board of teaching of any rule which must be submitted to public hearing and to the state board of education for approval, a representative of the commissioner shall appear before the board of teaching and at the hearing required pursuant to section 15.0412, subdivision 4, to comment on the cost and educational implications of that proposed rule. If the representative of the commissioner does not carry out the duties required by this subdivision, the state board of education shall approve that rule of the board of teaching as submitted.

Sec. 50. Minnesota Statutes, 1977 Supplement, Section 125.60, Subdivision 2, is amended to read:

Subd. 2. Upon the request of a teacher who meets the qualifications of this section which is made prior to July 1 for the next school year, the board of any district may shall grant an extended leave of absence without salary to any full time elementary or secondary school teacher who has been employed by the district for at least ten but no more than 20 years of allowable service, as defined in section 354.05, subdivision 13, or the by-laws of the appropriate retirement association, and who has not attained the age of 55 years or over. However, a school district may deny a request for an extended leave of absence if the board determines that the leave would not produce a cost savings to the district or would produce a hardship for the district due to its inability to find an adequate replacement. If a teacher's request is denied, this denial shall be subject to the grievance procedure established pursuant to section 179.70 or pursuant to the grievance procedure specified in the collective bargaining agreement in force in that district. Extended leaves of absence pursuant to this section shall not exceed five years in duration. An extended leave of absence pursuant to this section shall be taken by mutual consent of the board and the teacher and may be granted only once.

Sec. 51. Minnesota Statutes, 1977 Supplement, Section 125.61, Subdivision 1, is amended to read:

125.61 [TEACHER EARLY RETIREMENT INCENTIVE PROGRAM.] Subdivision 1. For purposes of this section, "teacher" means a teacher as defined in section 125.03, subdivision 1, who is employed in the public elementary or secondary schools in the state, who has not less than 15 *total* years of full time teaching service *therein*, and who has or will have attained the age of 55 years but less than 65 years as of the end of the school year during which an application for an early retirement incentive is made.

Sec. 52. Minnesota Statutes, 1977 Supplement, Section 125.61, Subdivision 2, is amended to read:

Subd. 2. A teacher meeting the requirements of subdivision 1 may be offered a contract for termination of services and payment of an early retirement incentive by the employing school district. An offer may be accepted by the teacher by submitting a written resignation to the school board of the employing district. Applications shall be submitted prior to *July 1, 1977* *March 1, 1978* in the case of a teacher retiring at the end of the *1977-78* *1976-1977* school year, prior to May 1, 1978 in the case of a teacher retiring at the end of the *1978-79* *1977-1978* school year, or, thereafter, prior to May 1 of the year immediately preceding the school year at the end of which the teacher wishes to retire.

Sec. 53. Minnesota Statutes 1976, Section 126.12, is amended to read:

126.12 [LENGTH OF SCHOOL YEAR.] The school shall be in session for not less than a minimum term, as defined by the *state board in section 124.19*, but this provision shall not apply to night schools *or kindergartens*. Every Saturday shall be a school holiday, *except that school may be held on a Saturday if necessary to meet the requirement in section 124.19 of making a good faith attempt to make up time lost on account of circumstances which were beyond the control of the school board*. The school board shall determine the number of school days of each school year on or before April 1 of the calendar year in which such school year commences.

Sec. 54. Minnesota Statutes 1976, Section 127.25, Subdivision 1, is amended to read:

127.25 [APPEALS.] Subdivision 1. Any district *or any person* aggrieved by final order of the county board *or final order of the commissioner*, or final order of the county auditor, made pursuant to the provisions of this code, may appeal from such final order to the district court upon the following grounds:

(1) That the county board, *the commissioner*, or the county auditor had no jurisdiction to act;

(2) That the county board, *the commissioner*, or the county auditor exceeded its jurisdiction;

(3) That the action appealed from is arbitrary, fraudulent, capricious or oppressive or in unreasonable disregard of the best interest of the territory affected;

(4) That the order of action appealed from is based upon an erroneous theory of law.

An appeal from a final order of a county board or the county auditor shall be taken by serving a notice of appeal upon the county auditor. ~~An appeal from a final order of the commissioner shall be taken by serving a notice of appeal upon the commissioner.~~ An appeal from a final order of a county board or a county auditor shall be taken to the district court in the county of the board or auditor. ~~An appeal from a final order of the commissioner shall be taken to the district court for Ramsey county.~~ Notice of appeal must be served within 30 days of the issuance of the order appealed from and shall be accompanied by a corporate surety bond in the amount of \$250, conditioned for the payment of all costs taxed against appellant on such appeal. The notice of appeal shall be filed with the clerk of the district court and noticed for hearing in the manner provided for the trial of civil actions by Minnesota rules of civil procedure.

~~Any order of the commissioner or the state board rejecting a consolidation plat shall be deemed a final order for the purposes of this section.~~ In an appeal from an order of a county auditor effecting a consolidation the action of the commissioner or the state board approving the plat is reviewable and the commissioner may be called by either party as a witness in such appeal proceedings and may be examined under the rules of civil procedure relating to the cross-examination of adverse parties.

Sec. 55. Minnesota Statutes 1976, Section 127.25, Subdivision 2, is amended to read:

Subd. 2. Any school district or any person affected by final order of the county board ~~or final order of the commissioner or final order of the county auditor~~ shall be permitted to intervene in appeals under this section as a party respondent.

Sec. 56. Minnesota Statutes 1976, Section 127.25, is amended by adding a subdivision to read:

Subd. 4. Unless otherwise provided by law, any school district or any person aggrieved by a final order of the commissioner made pursuant to provisions of this code may proceed under the provisions of sections 15.0418 to 15.0426.

Sec. 57. Minnesota Statutes 1976, Section 128A.02, is amended by adding a subdivision to read:

Subd. 5. The state board of education may by agreement with teacher preparing institutions or accredited institutions of higher education arrange for practical experience in the Minnesota school for the deaf and the Minnesota braille and sight-saving school for practice or student teachers, or for other students engaged in fields of study which prepare professionals to provide special services to handicapped children in school programs, who have

completed not less than two years of an approved program in their respective fields. These student trainees shall be provided with appropriate supervision by a teacher licensed by the board of teaching or by a professional licensed or registered in the appropriate field of special services and shall be deemed employees of the school for the deaf or the braille and sight-saving school, as applicable, for purposes of worker's compensation.

Sec. 58. Minnesota Statutes 1976, Section 128A.03, Subdivision 2, is amended to read:

Subd. 2. Each advisory council shall consist of ~~seven~~ *eight* members. The members shall be representative of the various geographic regions of the state, shall include parents or guardians of visually disabled or hearing impaired children, ~~shall include a staff representative of the applicable school,~~ and shall include two representatives from groups representing the interests of visually disabled or hearing impaired individuals, as applicable. All members shall have knowledge, experience and interest in the problems of visually disabled or hearing impaired children.

Sec. 59. Minnesota Statutes 1976, Section 134.03, is amended to read:

134.03 [TAX LEVY.] In cities of less than 2,000 inhabitants not levying a tax for public library purposes, the school board may maintain a public library for the use of all residents of the district and provide ample and suitable rooms for its use in the school buildings and in any independent school district embracing any such city, where a library building has been erected with funds donated for library purposes, the school district may levy an annual tax of not more than one mill, the proceeds of which tax shall be used for the support and maintenance of this library and known as the "library fund." or the district.

Upon a library being so established in any such school district, whose library building has been erected with funds acquired by gift or donation, the school board is empowered to appoint a library board of nine members, of which each member of the school board shall be a member ex officio.

The remaining members of such library board shall be appointed by the school board, one of which remaining members shall hold office for one year, one for two years, and one for three years *if the school board has only six members*, from the first Saturday of September following their appointment; the term of office of each being specified in such appointment; annually thereafter, such school board shall appoint a member of the library board for the term of three years and until his successor shall qualify. Such school board may remove any member so appointed for misconduct or neglect. Vacancies in such board shall be filled by appointment for the unexpired term. Members of such board shall receive no compensation for their services as such.

Immediately after appointment, such board shall organize by electing one of its members as president and one as secretary and from time to time it may appoint such other officers and em-

ployees as it deems necessary. The secretary, before entering upon his duties, shall give bond to the school district in an amount fixed by the library board, conditioned for the faithful discharge of his official duties. The library board shall adopt such bylaws and regulations for the government of the library and reading-room and for the conduct of its business as may be expedient and conformable to law. It shall have exclusive control of the expenditures of all money collected for, or placed to the credit of, the library funds, and of the rooms and buildings provided for library purposes. All moneys received for such library fund shall be kept in the treasury of the school district, credited to the library fund, and be paid out only upon itemized vouchers approved by the library board. The library board may fix the compensation of employees and remove any of them at pleasure.

All books or other property given, granted, conveyed, donated, devised, or bequeathed to, or purchased by, such library shall vest in, and be held in the name of, such school district. Every library and reading-room established hereunder shall be free to the use of the inhabitants of the school district, subject to such reasonable regulations as the directors may adopt.

When so established, no such library shall be abandoned without a two-thirds majority vote of the electors cast at any annual or special school meeting called for the purpose.

When so established, in cases where the building has been erected with funds so donated, no such library shall be abandoned without a two-thirds majority vote of the electors cast at any annual or special school meeting called for the purpose.

Sec. 60. Minnesota Statutes, 1977 Supplement, Section 176.011, Subdivision 9, is amended to read:

Subd. 9. [EMPLOYEE.] "Employee" means any person who performs services for another for hire; and includes the following:

- (1) an alien;
- (2) a minor;
- (3) a sheriff, deputy sheriff, constable, marshal, policeman, fireman, a county highway engineer, and a peace officer while engaged in the enforcement of peace or in and about the pursuit or capture of any person charged with or suspected of crime;
- (4) a county assessor;
- (5) an elected or appointed official of the state, or of any county, city, town, school district or governmental subdivision therein but an officer of a political subdivision elected or appointed for a regular term of office or to complete the unexpired portion of any such regular term, shall be included only after the governing body of the political subdivision has adopted an ordinance or resolution to that effect;
- (6) an executive officer of a corporation except an officer of a family farm corporation as defined in section 500.24, subdivision 1, clause (c);

(7) a voluntary uncompensated worker, other than an inmate, rendering services in state institutions under the commissioner of public welfare and state institutions under the commissioner of corrections similar to those of officers and employees of such institutions, and whose services have been accepted or contracted for by the commissioner of public welfare or the commissioner of corrections as authorized by law, shall be employees within the meaning of this subdivision. In the event of injury or death of any such voluntary uncompensated worker, the daily wage of the worker, for the purpose of calculating compensation payable under this chapter, shall be the usual going wage paid at the time of such injury or death for similar services in institutions where such services are performed by paid employees;

(8) a voluntary uncompensated worker engaged in peace time in the civil defense program when ordered to training or other duty by the state or any political subdivision thereof, shall be employees. The daily wage of the worker for the purpose of calculating compensation payable under this chapter, shall be the usual going wage paid at the time of such injury or death for similar services where such services are performed by paid employees;

(9) a voluntary uncompensated worker participating in a program established by a county welfare board shall be an employee within the meaning of this subdivision. In the event of injury or death of any such voluntary uncompensated worker, the wage of the worker, for the purpose of calculating compensation payable under this chapter, shall be the usual going wage paid in the county at the time of such injury or death for similar services where such services are performed by paid employees working a normal day and week;

(10) a voluntary uncompensated worker accepted by the commissioner of natural resources who is rendering services as a volunteer pursuant to section 85.041 shall be an employee. The daily wage of the worker for the purpose of calculating compensation payable under this chapter, shall be the usual going wage paid at the time of injury or death for similar services where such services are performed by paid employees.

(11) a member of the military forces, as defined in section 190.05, while in "active service" or "on duty" as defined in section 190.05, when the service or duty is ordered by state authority. The daily wage of the member for the purpose of calculating compensation payable under this chapter shall be based on the member's usual earnings in civil life. If there is no evidence of previous occupation or earning, the trier of fact shall consider the member's earnings as a member of the military forces;

(12) a voluntary uncompensated worker, accepted by the director of the Minnesota historical society, rendering services as a volunteer, pursuant to chapter 138, shall be an employee. The daily wage of the worker, for the purposes of calculating compensation payable under this chapter, shall be the usual going wage paid at the time of injury or death for similar services where such services are performed by paid employees.

(13) *a voluntary uncompensated worker, other than a student who renders services at the Minnesota school for the deaf or the Minnesota braille and sight-saving school, and whose services have been accepted or contracted for by the state board of education, as authorized by law, shall be an employee within the meaning of this subdivision. In the event of injury or death of any such voluntary uncompensated worker, the daily wage of the worker for the purpose of calculating compensation payable under this chapter, shall be the usual going wage paid at the time of such injury or death for similar services in institutions where such services are performed by paid employees.*

In the event it is difficult to determine the daily wage as herein provided, then the trier of fact may determine the wage upon which the compensation is payable.

Sec. 61. Minnesota Statutes, 1977 Supplement, Section 275.07 is amended to read:

275.07 [CITY, TOWN AND SCHOOL DISTRICT TAXES.] *Subdivision 1. The taxes voted by cities, towns, and school districts shall be certified by the proper authorities to the county auditor on or before October tenth in each year. If a city, town, county, school district or special district fails to certify its levy by that date, its levy shall be the amount levied by it for the preceding year. If the local unit notifies the commissioner of revenue before October tenth of its inability to certify its levy by that date, and the commissioner is satisfied that the delay is unavoidable and is not due to the negligence of the local unit's officials or staff, the commissioner shall extend the time within which the local unit shall certify its levy.*

Subd. 2. In school districts lying in more than one county, the clerk shall certify the tax levied to the auditor of the county in which the administrative offices of the school district are located.

Sec. 62. Minnesota Statutes, 1977 Supplement, Section 275.124 is amended to read:

275.124 [REPORT OF CERTIFIED LEVY.] *Prior to March February 1 of each year, each county auditor shall report to the commissioner of education on forms furnished by the commissioner, the amount of the certified levy made by each school district within the county which has taxable property and any other information concerning these levies that is deemed necessary by the commissioner.*

Sec. 63. Minnesota Statutes, 1977 Supplement, Section 275.125. Subdivision 2a, is amended to read:

Subd. 2a. (1) *In 1977, a school district may levy for all general and special school purposes, an amount equal to the amount raised by 28 mills times the 1976 adjusted assessed valuation of the district.*

(2) *In 1978, a school district may levy for all general and special school purposes, an amount equal to the amount raised by 27 mills times the 1977 adjusted assessed valuation of the district.*

(3) For any district levying less than 95 percent of the maximum levy allowable in clauses (1) and (2), beginning with the levy certified in 1976-1978, payable in 1977-1979, the foundation aid to the district for the 1977-1978 1979-1980 school year, and for subsequent levies, foundation aid for subsequent school years, calculated pursuant to section 124.212, shall be reduced by 50 percent of the *to an amount of equal to the difference ratio* between the actual levy and the maximum levy allowable under clauses (1) and (2) *times the foundation aid to which the district is otherwise entitled for that year*. In the application of this clause, the maximum levy allowable under clauses (1) and (2) shall be reduced by any reduction of this levy which is required by section 275.125, subdivision 9 or any other law.

(4) (a) The levy authorized by clauses (1) or (2) may be increased in any amount which is approved by the voters of the district at a referendum called for the purpose. Such a referendum may be called by the school board or shall be called by the school board upon written petition of qualified voters of the district. The referendum shall be held on a date set by the school board. Only one such election may be held to approve a levy increase which will commence in a specific school year. The question on the ballot shall state the maximum amount of the increased levy in mills, the amount that will be raised by that millage in the first year it is to be levied, and that the millage shall be used to finance school operations. The question may designate a specific number of years for which the referendum authorization shall apply. If approved, the amount provided by the approved millage applied to each year's taxable valuation shall be authorized for certification for the number of years approved, if applicable, or until revoked by the voters of the district at a subsequent referendum.

(b) A referendum on the question of revoking the increased levy amount authorized pursuant to clause (a) of this clause may be called by the school board and shall be called by the school board upon the written petition of qualified voters of the district. The amount approved by the voters of the district pursuant to clause (a) of this clause must be levied at least once before it is subject to a referendum on its revocation for subsequent years. Only one such revocation election may be held to revoke a levy for any specific year and for years thereafter.

(c) A petition authorized by clauses (a) or (b) of this clause shall be effective if signed by a number of qualified voters in excess of 15 percent, or 10 percent if the school board election is held in conjunction with a general election, of the average number of voters at the two most recent district wide school elections. A referendum invoked by petition shall be held within three months of submission of the petition to the school board.

(d) Notwithstanding any law to the contrary, the approval of 50 percent plus one of those voting on the question is required to pass a referendum.

(e) Within 30 days after the district holds a referendum pur-

suant to this clause, the district shall notify the commissioner of education of the results of the referendum.

Sec. 64. Minnesota Statutes 1976, Section 275.125, is amended by adding a subdivision to read:

Subd. 2b. (1) Beginning in 1978, in any year when the amount of the maximum levy allowed for any district by section 275.125, subdivision 2a, clause (1) or (2), exceeds the product of the district's foundation aid formula allowance under section 124.212 for the corresponding school year times the number of pupil units computed for that district under section 124.17 for that school year, the levy permitted that district by section 275.125, subdivision 2a, clause (1) or (2) shall be limited to 107 percent of the sum of the following, but not to exceed the number of mills permitted under section 275.125, subdivision 2a, clause (1) or (2):

(a) the product of the district's foundation aid formula allowance under section 124.212 for the school year in which the levy is certified times the number of pupil units computed for that district under sections 124.17 for the school year in which the levy is certified; plus the district's estimated aid entitlement pursuant to section 124.20 for the summer school which begins in the school year in which the levy is certified; plus

(b) that district's entitlement, for the year in which the levy is certified, for transportation aid pursuant to section 124.222, special education aid pursuant to section 124.32, secondary vocational aid pursuant to section 124.573 and secondary vocational aid for handicapped children pursuant to section 124.574.

(2) If a district levies the full 107 percent of its entitlement under clause (1) for a school year and that amount is less than the aid to which the district would actually have been entitled under sections 124.212, 124.20, 124.222, 124.32, 124.573 or 124.574, the district may adjust its levies in the succeeding years to make up this difference. The amount by which the district is allowed to adjust its levies in the succeeding years pursuant to this clause shall be recorded as a receivable in the school year to which the aids are attributable.

(3) If a district levies pursuant to clause (1) for a school year and the amount levied is greater than the aid to which the district would actually have been entitled under sections 124.212, 124.20, 124.222, 124.32, 124.573 or 124.574, the district shall reduce its levies in the succeeding years by the amount of this difference.

(4) However, if the amount of the difference in clause (2), when calculated as an addition to the original levy for that year, would have exceeded the millage limitation in section 275.125, subdivision 2a, clause (1) or (2) in that year, the state shall pay the amount of aid to which the district is entitled for that school year which exceeds the amount attributable to that aid for which it could have levied for that year pursuant to this subdivision.

(5) If the district is unable to levy the full 107 percent of its entitlement for a school year because of the millage limitation in

section 275.125, subdivision 2a, clause (1) or (2), the state shall pay the amount of aid under sections 124.212, 124.20, 124.222, 124.32, 124.573 or 124.574 to which the district is entitled for that school year which exceeds the amount attributable to that aid for which it was allowed to levy pursuant to this subdivision.

(6) Prior to the certification of levies, the commissioner of education shall notify an applicable district that it is subject to the levy limitation of this subdivision and of its estimated entitlements pursuant to sections 124.212, 124.20, 124.222, 124.32, 124.573 and 124.574. The commissioner shall decide that a district is subject to this levy limitation if it appears reasonably certain that the maximum levy allowed that district pursuant to section 275.125, subdivision 2a, clause (1) or (2) will exceed the district's foundation aid formula allowance times the number of pupil units computed for that district under section 124.17 for that corresponding year. If, upon the order of the commissioner, the district levies pursuant to this subdivision but the maximum levy allowed that district pursuant to section 275.125, subdivision 2a, clause (1) or (2) would not actually have exceeded the district's foundation aid formula allowance times the number of pupil units computed for that district under section 124.17 for that corresponding year, the district shall reduce its levy for the next year by the amount by which the levy certified pursuant to this subdivision exceeded the amount the district could have levied under subdivision 2a, clause (1) or (2). Also in that case, the district shall receive all aids from the state pursuant to sections 124.212, 124.20, 124.222, 124.32, 124.573 and 124.574 to which it would otherwise have been entitled were it not for the levy certified pursuant to this subdivision.

(7) Nothing within the provisions of this subdivision shall be construed to affect any other levy under section 275.125, including levies made pursuant to section 275.125, subdivision 2a, clause (4), to which a district is otherwise entitled.

(8) A levy made by a district pursuant to the provisions of this subdivision shall be construed to be the levy made by that district pursuant to subdivision 2a, clause (1) and (2), of this section for purposes of statutory cross-reference.

Sec. 65. Minnesota Statutes 1976, Section 275.125, Subdivision 6, is amended to read:

Subd. 6. (1) In 1975 Any district in which the 1970-1971 adjusted maintenance cost per pupil unit in average daily membership was greater than \$663 per pupil unit may levy the greater of (a) an amount per pupil unit which is equal to or less than the difference between the 1970-1971 adjusted maintenance cost per pupil unit in average daily membership and \$663 per pupil unit or (b) if the district counts pupil units pursuant to section 124.17, subdivision 1, clause (6) and has at least two percent fewer pupil units in the year in which the levy is made than in the preceding school year, an amount which is equal to or less than the amount raised by the number of mills levied in 1977 pursuant to this subdivision times the adjusted assessed valuation of the taxable property in the district for the preceding year; provided, however, that

the amount which the district may levy pursuant to clause (b) shall not increase in any year to more than the product of the amount raised in the previous year pursuant to this subdivision times the ratio of the foundation aid formula allowance per pupil unit for that district in the year in which the levy is certified divided by the foundation aid formula allowance per pupil unit for that district in the previous year. Provided, however, that a district with boundaries coterminous with the boundaries of a city of the first class which was affected by the limitation of an extra levy not to exceed 1.9 mills times the adjusted assessed valuation of the district shall be allowed to may levy the greater of (a) an amount per pupil unit which is equal to 2.0 mills times the 1974 adjusted assessed valuation of the district, divided by the number of pupil units in the district in 1975-1976 or (b) if the district counts pupil units pursuant to section 124.17, subdivision 1, clause (6) and has at least two percent fewer pupil units in the year in which the levy is made than in the preceding school year, an amount which is equal to or less than the amount raised by the number of mills levied in 1977 pursuant to this subdivision times the adjusted assessed valuation of the taxable property in the district for the preceding year; provided, however, that the amount which the district may levy pursuant to clause (b) shall not increase in any year to more than the product of the amount raised in the previous year pursuant to this subdivision times the ratio of the foundation aid formula allowance per pupil unit for that district in the year in which the levy is certified divided by the foundation aid formula allowance per pupil unit for that district in the previous year.

As used in this subdivision, the term "foundation aid formula allowance per pupil unit" shall have the same meaning as provided in section 124.32, subdivision 1(a).

~~(2)~~ *In 1976 and each year thereafter, any district which qualified in 1975 for an extra levy under clause (1) shall be allowed to levy the same amount per pupil unit allowed by that clause.*

~~(2)~~ (2) *For purposes of computing allowable levies under this subdivision, pupil units shall include only those units identified in section 124.17, subdivision 1, clauses (1), (2), (6) and (7). The provisions of this clause shall not affect or modify any district's 1970-1971 adjusted maintenance cost per pupil unit in average daily membership.*

Sec. 66. Minnesota Statutes, 1977 Supplement, Section 275.125, Subdivision 9, is amended to read:

Subd. 9. (1) *Districts which receive payments which result in deductions from foundation aid pursuant to section 124.212, subdivision 8a, clause (1), shall reduce the permissible levies authorized by subdivisions 3 to 14 by that portion of the previous year's payment not deducted from foundation aid on account of the payment. The levy reductions shall be made in the proportions that each permissible levy bears to the sum of the permissible levies. Reductions in levies pursuant to this clause, subdivision 10 of this*

section, and section 273.138, shall be made prior to the reductions in clause (2).

(2) Notwithstanding any other law to the contrary, districts which received payments pursuant to sections 294.21 to 294.28; 298.23 to 298.28; 298.32; 298.34 to 298.39; 298.391 to 298.396; 298.405; 298.51 to 298.67; and any law imposing a tax upon severed mineral values, or under any other law distributing proceeds in lieu of ad valorem tax assessments on copper or nickel properties; shall not include a portion of these aids in their permissible levies pursuant to those sections, but instead shall reduce the permissible levies authorized by this section to be certified in the calendar year in which the deduction from foundation aid is made pursuant to section 124.212, subdivision 8a, by the portion of the previous fiscal year's payment which was not deducted from foundation aid in that calendar year pursuant to section 124.212, subdivision 8a by the greater of the following:

(a) an amount equal to 50 percent of the total dollar amount of the payments received pursuant to those sections in the previous fiscal year; or

(b) an amount equal to the total dollar amount of the payments received pursuant to those sections in the previous fiscal year less the product of the same dollar amount of payments times the ratio of the maximum levy allowed the district under section 275.125, subdivision 2a, to the total levy allowed the district under section 275.125 in the year in which the levy is certified.

(3) No reduction pursuant to this subdivision shall reduce the levy made by the district pursuant to subdivision 2a, clause 1 or 2, to an amount less than the amount raised by a levy of 10 mills times the adjusted assessed valuation of that district for the preceding year as determined by the equalization aid review committee. The amount of any increased levy authorized by referendum pursuant to subdivision 2a, clause (4) shall not be reduced pursuant to this subdivision. The amount of any levy authorized by subdivision 4, to make payments for bonds issued and for interest thereon, shall not be reduced pursuant to this subdivision.

(4) Before computing the reduction pursuant to this subdivision of the capital expenditure levy authorized by section 275.125, subdivision 11a, the commissioner shall ascertain from each affected school district the amount it proposes to levy for capital expenditures pursuant to that subdivision. The reduction of the capital expenditure levy shall be computed on the basis of the amount so ascertained.

(5) Notwithstanding any law to the contrary, any amounts received by districts in any fiscal year after fiscal year 1975 pursuant to sections 294.21 to 294.28; 298.23 to 298.28; 298.34 to 298.39; 298.391 to 298.396; 298.405; 298.51 to 298.67; or any law imposing a tax on severed mineral values, or under any other law distributing proceeds in lieu of ad valorem tax assessments on copper or nickel properties; and not deducted from foundation aid pursuant to section 124.212, subdivision 8a, clause (2), and

not applied to reduce levies pursuant to this subdivision shall be paid by the district to the commissioner of finance in the following amounts pursuant to this clause on the designated dates: on or before March 15, 1977, 20 percent of the amounts received in fiscal 1976 and not deducted from foundation aid in August 1976 and not applied to reduce 1976 payable 1977 levies; on or before March 15, 1978, 60 percent of the amounts received in fiscal 1977 and not deducted from foundation aid and not applied to reduce 1977 payable 1978 levies; on or before March 15, 1979 and March 15 of each year thereafter, 100 percent of the amounts received in the preceding fiscal year and not deducted from foundation aid and not applied to reduce levies certified in the preceding October. ~~Any amounts received by districts in any fiscal year after fiscal year 1977 pursuant to the sections specified in this clause shall be paid by the district to the commissioner of finance in the following amounts on the designated dates: on or before March 15, 1979 and March 15 of each year thereafter, 100 percent of the amount required to be subtracted from the previous fiscal year's foundation aid pursuant to section 124.212, subdivision 8a, which is in excess of the foundation aid earned for that fiscal year.~~ The commissioner of finance shall deposit any amounts received pursuant to this clause in the taconite property tax relief fund in the state treasury, established pursuant to section 16A.70 for purposes of paying the taconite homestead credit as provided in section 273.135.

Sec. 67. Minnesota Statutes, 1977 Supplement, Section 275.125, Subdivision 13, is amended to read:

Subd. 13. Districts maintaining a post-secondary vocational-technical school ~~shall~~ *may* levy for post-secondary vocational-technical purposes as follows.

(1) For districts in cities of the first class, one-half mill, exclusive of debt service, times the adjusted assessed valuation of the taxable property of the district for the preceding year as determined by the equalization aid review committee.

(2) For districts formed pursuant to Laws 1967, Chapter 822, as amended, and Laws 1969, Chapters 775 and 1060 as amended, one-half mill, exclusive of debt service, times the adjusted assessed valuation of the taxable property of the district for the preceding year as determined by the equalization aid review committee.

(3) For other districts maintaining post-secondary vocational schools, one mill, exclusive of debt service, times the adjusted assessed valuation of the taxable property of the district for the preceding year as determined by the equalization aid review committee.

Sec. 68. Minnesota Statutes 1976, Section 275.125, Subdivision 15, is amended to read:

Subd. 15. Any district which in any year levies an amount which is greater than the amount allowed by subdivisions 2a to 14, shall lose an amount of state foundation aid equal to one half of the excess in the levy. However, if any school district levy is

found to be excessive as a result of a decision of the tax court of appeals or a redetermination by the equalization aid review committee under section 124.212, subdivisions 11 to 18 or for any other reason, the amount of the excess shall be deducted from the levy certified in the next year for the same purpose; provided that if no levy is certified in the next year for the same purpose or if the amount certified is less than the amount of the excess, the excess shall be deducted from that levy and the levy certified pursuant to subdivision 2a. The amount of aid lost shall be deducted from the aid which would otherwise have been received for the school year which commences in the calendar year during which the excessive levy is being collected. Any foundation aid so withheld shall be withheld in accordance with the procedures specified in section 124.15. If any aid entitlement pursuant to sections 124.212, 124.222 and 124.245 would have been increased in a prior year as a result of a decision of the tax court of appeals or a redetermination by the equalization aid review committee, the amount of the increase shall be added to the current aid entitlement for the same purposes.

Sec. 69. Minnesota Statutes 1976, Section 275.125, Subdivision 16, is amended to read:

Subd. 16. For the purposes of this section, the number of resident pupil units in average daily membership shall be computed in accordance with section 124.17, provided that the district may use an estimated average daily membership for the current school year. Any district which increased its pupil units, exclusive of consolidation, or merger of districts, or change of definition of pupil units by more than five percent from one year to another for two consecutive years may use an estimated pupil unit count for the next succeeding school year for determining a levy certified in the current year. If as a result of such estimate the levy is different from the amount that could actually have been levied under this section had such levy been based upon the pupil units computed under section 124.17 for that school year, then in that event the authorized levy for the following year shall be adjusted for the difference.

Sec. 70. Minnesota Statutes 1976, Section 275.125, Subdivision 18, is amended to read:

Subd. 18. By November 1 of each year each district shall submit to notify the commissioner of education a certificate of the levies certified in compliance with the levy limitations of this section. The commissioner of education shall prescribe the form of this certificate notification.

Sec. 71. Minnesota Statutes 1976, Section 275.48, is amended to read:

275.48. [ADDITIONAL TAX LEVIES IN CERTAIN MUNICIPALITIES.] Whenever by virtue of chapter 278, sections 270.07, 375.192, or otherwise, the assessed valuation of any city, township or school district for any taxable year is reduced after the taxes for such year have been spread by the county auditor

and whenever the mill rate as determined by the county auditor based upon the original assessed valuation is applied upon such reduced valuations and does not produce the full amount of taxes as actually levied and certified for such taxable year upon the original assessed valuations, such city, township or school district may include in its tax levy made following final determination and notice of such reduction in assessed valuation, an amount equal to the difference between (1) the total amount of taxes actually levied and certified for such taxable year upon the original assessed valuation, not exceeding the maximum amount which could be raised upon such assessed valuation as reduced, within existing mill limitations, if any, and (2) the amount of taxes collected for such taxable year upon such reduced valuations. *However, if a school district receives aid payment adjustments pursuant to section 124.214, subdivision 2, it may only include in its tax levy an amount equal to the difference between (1) the total amount of taxes actually levied and certified for such taxable year upon the original assessed valuation, not exceeding the maximum amount which could be raised upon such assessed valuation as reduced, within existing mill limitations, if any, and (2) an amount equal to the amount of taxes collected for such taxable year upon such reduced valuations, plus the amount of any increased aid received by the district as a result of those aid adjustments.*

The amount of taxes so included shall be levied separately and shall be levied in addition to all limitations imposed by law; and further shall not result in any penalty in the nature of a reduction in state aid of any kind.

Sec. 72. Minnesota Statutes, 1977 Supplement, Section 298.28. Subdivision 1, is amended to read:

298.28 [DIVISION AND DISTRIBUTION OF PROCEEDS.] Subdivision 1. The proceeds of the taxes collected under section 298.24, except the tax collected under section 298.24, subdivision 2, shall, upon certificate of the commissioner of revenue to the general fund of the state, be paid by the commissioner of revenue as follows:

(1) 2.5 cents per gross ton of merchantable iron ore concentrate, hereinafter referred to as "taxable ton", to the city or town in which the lands from which taconite was mined or quarried were located or within which the concentrate was produced. If the mining, quarrying, and concentration, or different steps in either thereof are carried on in more than one taxing district, the commissioner shall apportion equitably the proceeds of the part of the tax going to cities and towns among such subdivisions upon the basis of attributing 40 percent of the proceeds of the tax to the operation of mining or quarrying the taconite, and the remainder to the concentrating plant and to the processes of concentration, and with respect to each thereof giving due consideration to the relative extent of such operations performed in each such taxing district. His order making such apportionment shall be subject to review by the tax court of appeals at the instance

of any of the interested taxing districts, in the same manner as other orders of the commissioner.

(2) 12.5 cents per taxable ton to the taconite municipal aid account in the apportionment fund of the state treasury, to be distributed as provided in section 298.282.

(3) 29 cents per taxable ton to school districts to be distributed as follows:

(a) 6 cents per taxable ton to the school districts in which the lands from which taconite was mined or quarried were located or within which the concentrate was produced. The commissioner shall follow the apportionment formula prescribed in clause (1).

(b) 23 cents per taxable ton, less any amount distributed under part (c), shall be distributed to a group of school districts comprised of those school districts wherein the taconite was mined or quarried or the concentrate produced or in which there is a qualifying municipality as defined by section 273.134 or in which is located property which is entitled to the reduction of tax pursuant to section 273.135, subdivision 2, clause (c). The 23 cents, less any amount distributed under part (c), shall be distributed in direct proportion to school district tax levies as follows: each district shall receive that portion of the total distribution which its permitted levy for the prior year, computed pursuant to section 275.125, comprises of the sum of permitted levies for the prior year for all qualifying districts, computed pursuant to section 275.125. ~~That portion of The amount so distributed to a school district which is not deducted from state aids in section 124.212, subdivision 8a~~ computed as a reduction of the school district levies pursuant to section 275.125, subdivision 9, shall be included in computing the permissible levies under section 275.125. For purposes of distributions pursuant to this part, permitted levies for the prior year computed pursuant to section 275.125 shall not include the amount of any increased levy authorized by referendum pursuant to section 275.125, subdivision 2a, clause (4).

(c) There shall be distributed to any school district the amount which the school district was entitled to receive under section 298.32 in 1975.

(4) 19.5 cents per taxable ton to counties to be distributed as follows:

(a) 15.5 cents per taxable ton shall be distributed to the county in which the taconite is mined or quarried or in which the concentrate is produced, less any amount which is to be distributed pursuant to part (b). The commissioner shall follow the apportionment formula prescribed in clause (1).

(b) If an electric power plant owned by and providing the primary source of power for a taxpayer mining and concentrating taconite is located in a county other than the county in which the mining and the concentrating processes are conducted, one cent for taxable ton of the tax distributed to the counties pursuant to part (a) and imposed on and collected from such taxpayer

shall be distributed by the commissioner of revenue to the county in which the power plant is located.

(c) 4 cents per taxable ton shall be paid to the county from which the taconite was mined, quarried or concentrated to be deposited in the county road and bridge fund. If the mining, quarrying and concentrating, or separate steps in any of those processes are carried on in more than one county, the commissioner shall follow the apportionment formula prescribed in clause (1).

(5) (a) 25.75 cents per taxable ton, less any amount required to be distributed under part (b), to the taconite property tax relief account in the apportionment fund in the state treasury, to be distributed as provided in sections 273.134 to 273.136.

(b) If an electric power plant owned by and providing the primary source of power for a taxpayer mining and concentrating taconite is located in a county other than the county in which the mining and the concentrating processes are conducted, .75 cent per taxable ton of the tax imposed and collected from such taxpayer shall be distributed by the commissioner of revenue to the county and school district in which the power plant is located as follows: 25 percent to the county and 75 percent to the school district.

(6) 1 cent per taxable ton to the state.

(7) 3 cents per taxable ton shall be deposited in the state treasury to the credit of the iron range resources and rehabilitation board account in the special revenue fund for the purposes of section 298.22. Of this amount, one cent per taxable ton is to be used to provide environmental development grants to local governments located within any county in region 3 as defined in governor's executive order number 60 issued on June 12, 1970, which does not contain a municipality qualifying pursuant to section 273.134.

(8) the amounts determined under clauses (4) (a), (4) (c), and (5) shall be increased in 1979 and subsequent years in the same proportion as the increase in the steel mill products index as provided in section 298.24, subdivision 1.

(9) the proceeds of the tax imposed by section 298.24 which remain after the distributions in clauses (1) to (8) and parts (a), (b), (c), and (d) of this clause have been made shall be divided between the taconite environmental protection fund created in section 298.223 and the northeast Minnesota economic protection fund created in section 298.292 as follows: In 1978, 1979, 1980, 1981, and 1982, two-thirds to the taconite environmental protection fund and one-third to the northeast Minnesota economic protection fund; in 1983 and thereafter, one-half to each fund. The proceeds shall be placed in the respective special accounts in the general fund.

(a) In 1978 and each year thereafter, there shall be distributed to each city, town, school district, and county the amount that they received under section 294.26 in calendar year 1977.

(b) In 1978 and each year thereafter, there shall be distributed to the iron range resources and rehabilitation board the amounts it received in 1977 under section 298.22.

(c) In 1978 and each year thereafter, \$50,000 shall be distributed to the department of revenue for auditing and enforcing the production tax imposed by Laws 1977, Chapter 423, Article 10.

(d) In 1978 and 1979, \$150,000 shall be distributed to the department of revenue for the purpose of administering section 298.48. In 1980 and each year thereafter, \$100,000 shall be distributed to the department of revenue. On or before October 10 of each calendar year each producer of taconite or iron sulphidés subject to taxation under section 298.24 (hereinafter called "taxpayer") shall file with the commissioner of revenue and with the county auditor of each county in which such taxpayer operates, and with the chief clerical officer of each school district, city or town which is entitled to participate in the distribution of the tax, an estimate of the amount of tax which would be payable by such taxpayer under said law for such calendar year; provided such estimate shall be in an amount not less than the amount due on the mining and production of concentrates up to September 30 of said year plus the amount becoming due because of probable production between September 30 and December 31 of said year, less any credit allowable as hereinafter provided. Such estimate shall list the taxing districts entitled to participate in the distribution of such tax, and the amount of the estimated tax which would be distributable to each such district in the next ensuing calendar year on the basis of the last percentage distribution certified by the commissioner of revenue. If there be no such prior certification, the taxpayer shall set forth its estimate of the proper distribution of such tax under the law, which estimate may be corrected by the commissioner if he deems it improper, notice of such correction being given by him to the taxpayer and the public officers receiving such estimate. The officers with whom such report is so filed shall use the amount so indicated as being distributable to each taxing district in computing the permissible tax levy of such county, city or school district in the year in which such estimate is made, and payable in the next ensuing calendar year, except that in 1978 and 1979 two cents per taxable ton, and in 1980 and thereafter, one cent per taxable ton of the amount distributed under clause (4)(c) shall not be deducted in calculating the permissible levy. Such taxpayer shall then pay, at the times payments are required to be made pursuant to section 298.27, as the amount of tax payable under section 298.24, the greater of (a) the amount shown by such estimate, or (b) the amount due under said section as finally determined by the commissioner of revenue pursuant to law. If, as a result of the payment of the amount of such estimate, the taxpayer has paid in any calendar year an amount of tax in excess of the amount due in such year under section 298.24, after application of credits for any excess payments made in previous years, all as determined by the commissioner of revenue, the taxpayer shall be given credit for such excess amount against

any taxes which, under said section, may become due from the taxpayer in subsequent years. In any calendar year in which a general property tax levy subject to sections 275.125 or 275.50 to 275.59 has been made, if the taxes distributable to any such county, city or school district are greater than the amount estimated to be paid to any such county, city or school district in such year, the excess of such distribution shall be held in a special fund by the county, city or school district and shall not be expended until the succeeding calendar year, and shall be included in computing the permissible levies under sections 275.125 or 275.50 to 275.59, of such county, city or school district payable in such year. If the amounts distributable to any such county, city or school district, after final determination by the commissioner of revenue under this section are less than the amounts indicated by such estimates, such county, city or school district may issue certificates of indebtedness in the amount of the shortage, and may include in its next tax levy, in excess of the limitations of section 275.125 or 275.50 to 275.59 an amount sufficient to pay such certificates of indebtedness and interest thereon, or, if no certificates were issued, an amount equal to such shortage.

There is hereby annually appropriated to such taxing districts as are stated herein, to the taconite property tax relief account and to the taconite municipal aid account in the apportionment fund in the state treasury, to the department of revenue, to the iron range resources and rehabilitation board, to the taconite environmental protection fund, and to the northeast Minnesota economic protection fund, from any fund or account in the state treasury to which the money was credited, an amount sufficient to make the payment or transfer. The payment of the amount appropriated to such taxing districts shall be made by the commissioner of revenue on or before May 15 annually.

Sec. 73. Minnesota Statutes 1976, Section 298.39, is amended to read:

298.39 [DISTRIBUTION OF PROCEEDS.] The proceeds of the tax collected under section 298.35 shall be distributed by the state treasurer, upon certificate of the commissioner of revenue to the general fund of the state and to the various taxing districts in which the lands from which the semi-taconite was mined or quarried were located in the following proportions: 22 percent thereof to the city or town; 50 percent thereof to the school district; 22 percent thereof to the county; six percent thereof to the state. If the mining and concentration, or different steps in either thereof are carried on in more than one taxing district, the commissioner shall apportion equitably the proceeds of the part of the tax going to cities or towns among such subdivisions, and the part going to school districts among such districts, and the part going to counties among such counties, upon the basis of attributing 40 percent of the proceeds of the tax to the operation of mining or quarrying the semi-taconite, and the remainder to the concentrating plant and to the processes of concentration, and with respect to each thereof giving due consideration to the relative extent of such

operations performed in each such taxing district. His order making such apportionment shall be subject to review by the tax court of appeals at the instance of any of the interested taxing districts, in the same manner as other orders of the commissioner. The amount so distributed shall be divided among the various funds of the state, or of the taxing districts in the same proportion as the general ad valorem tax thereof. If in any year the state shall not spread any general ad valorem tax levy against real property, the state's proportion of the tax shall be paid into the general fund. The amount distributed to any city and ~~one third in 1971 and that portion not deducted from state aids in section 124.212, subdivision 8; thereafter, of the amount distributed to any school district under the provisions hereof which is computed as a reduction of the school district levies pursuant to section 275.125, subdivision 9.~~ shall be included in computing the permissible levies of such city or school district under sections 275.11 or 275.125, but shall not be included in computing mill rate limitations, including cost of living adjustments thereof, so long as the levies do not exceed the limitations provided by said sections 275.11 or 275.125. On or before October 10 of each calendar year each producer of semitaconite subject to taxation under section 298.35, hereinafter called "taxpayer," shall file with the commissioner of revenue and with the county auditor of each county in which such taxpayer operates, and with the chief clerical officer of each school district or city which is entitled to participate in the distribution of the tax, an estimate of the amount of tax which would be payable by such taxpayer under said law for such calendar year; provided such estimate shall be in an amount not less than the amount due on the mining and production of concentrates up to September 30 of said year plus the amount becoming due because of probable production between September 30 and December 31 of said year, less any credit allowable as hereinafter provided. Such estimate shall list the taxing districts entitled to participate in the distribution of such tax, and the amount of the estimated tax which would be distributable to each such district in such next ensuing calendar year on the basis of the last percentage distribution certified by the commissioner of revenue. If there be no such prior certification, the taxpayer shall set forth its estimate of the proper distribution of such tax under the law, which estimate may be corrected by the commissioner if he deems it improper, notice of such correction being given by him to the taxpayer and the public officers receiving such estimate. The officers with whom such report is so filed shall use the amount so indicated as being distributable to each taxing district except in the case of school districts ~~one third in 1971 and that portion not deducted from state aids in section 124.212, subdivision 8; thereafter of the indicated amount which is computed as a reduction of school district levies pursuant to section 275.125, subdivision 9,~~ is to be used in computing, pursuant to sections 275.11 or 275.125, the permissible tax levy of such city or school district in the year in which such estimate is made, and payable in the next ensuing calendar year. Such taxpayer shall then pay, at the times payments are required to be made pursuant to section 298.36, as the amount of tax payable under section 298.35, the greater of (a) the amount shown by such estimate, or (b) the

amount due under said section as finally determined by the commissioner of revenue pursuant to law. If, as a result of the payment of the amount of such estimate, the taxpayer has paid in any calendar year an amount of tax in excess of the amount due in such year under section 298.35, after application of credits for any excess payments made in previous years, all as determined by the commissioner of revenue, the taxpayer shall be given credit for such excess amount against any taxes which, under said section, may become due from the taxpayer in subsequent years. In any calendar year in which a general property tax levy subject to sections 275.11 or 275.125 has been made, if the taxes distributable to any such city or school district are greater than the amount estimated to be paid to any such city or school district in such year, the excess of such distribution shall be held in a special fund by the city or school district and shall not be expended until the succeeding calendar year, and shall be included in computing the permissible levies under sections 275.11 or 275.125 of such city or school district payable in such year. If the amounts distributable to any such city or school district, after final determination by the commissioner of revenue under this section are less than the amounts indicated by such estimates, such city or school district may issue certificates of indebtedness in the amount of the shortage, and may include in its next tax levy, in excess of the limitations of sections 275.11 or 275.125 an amount sufficient to pay such certificates of indebtedness and interest thereon, or, if no certificates were issued, an amount equal to such shortage.

There is hereby appropriated to such taxing districts as are stated herein, from any fund or account in the state treasury to which the money was credited, an amount sufficient to make the payment or transfer.

Sec. 74. Minnesota Statutes 1976, Section 298.396, is amended to read:

298.396 [DISTRIBUTION OF PROCEEDS.] The proceeds of the tax collected under section 298.393 shall be distributed by the state treasurer, upon certificate of the commissioner to the general fund of the state and to the various taxing districts in which the agglomerating facility is located in the following proportions: 22 percent thereof to the city or town; 50 percent thereof to the school district; 22 percent thereof to the county; 6 percent thereof to the state. If the agglomerating facility is located in more than one tax district, the commissioner shall apportion equitably the proceeds of the part of the tax going to cities or towns among such subdivisions, and the part going to school districts among such districts, and the part going to counties among such counties, giving due consideration to the relative extent of the facilities located in each such taxing district. His order making such apportionment shall be subject to review by the tax court of appeals at the instance of any of the interested taxing districts, in the same manner as other orders of the commissioner. The amount to be distributed among the several taxing districts of the state shall be divided by such districts among the funds of such districts in the same proportion as the general ad valorem

tax thereof. The amount distributed to any city and one-third in 1971 and that portion not deducted from state aids in section 124.212, subdivision 8, thereafter of the amount distributed to any school district under the provisions hereof which is computed as a reduction of the school district levies pursuant to section 275.125, subdivision 9, shall be included in computing the permissible amount of the levies of such city or school district under sections 275.11 or 275.125, but shall not be included in computing mill rate limitations, including cost of living adjustments thereof, so long as the levies do not exceed the limitations provided by said sections 275.11 or 275.125.

Sec. 75. Minnesota Statutes 1976, Section 471.16, Subdivision 1, is amended to read:

471.16 [MAY ACT INDEPENDENTLY OR COOPERATIVELY.] Subdivision 1. Any city, however organized, or any town, county, school district, or any board thereof, or any incorporated post of the American Legion or any other incorporated veterans' organization, may operate such a program independently, or they may cooperate among themselves or with any nonprofit organization in its conduct and in any manner in which they may mutually agree; or they may delegate the operation of the program to a recreation board created by one or more of them, and appropriate money voted for this purpose to such board which may in turn support or cooperate with a nonprofit organization. *In the case of school districts after April 15, 1978, the right to enter into such agreements with any other corporation, board or body hereinbefore designated where bonds are issued by the other party and revenue pledged for bonds issued pursuant to section 471.191, shall be authorized only upon obtaining the approval of a majority of the electors voting on the question at a regular or special school election.*

Sec. 76. [471.191] *Agreements entered into by school districts pursuant to the provisions of 471.15 to 471.191 or Laws 1967, Chapter 33, prior to April 15, 1978, without a referendum, are not void and are hereby validated.*

Sec. 77. Minnesota Statutes 1976, Section 471.61, Subdivision 1, is amended to read:

471.61 [GROUP INSURANCE, PROTECTION FOR OFFICERS, EMPLOYEES, RETIRED OFFICERS AND EMPLOYEES.] Subdivision 1. [OFFICERS, EMPLOYEES.] Any county, municipal corporation, town, school district, county extension committee, other political subdivision or other body corporate and politic of this state, other than the state or any department thereof, through its governing body, and any two or more subdivisions acting jointly through their governing bodies, may insure or protect its or their officers and employees, and their dependents, or any class or classes thereof, under a policy or policies, or contract or contracts of group insurance or benefits covering life, health, and accident, in the case of employees, and medical and surgical benefits, and hospitalization insurance or benefits, for both employees and dependents, or dependents

of an employee whose death was due to causes arising out of and in the course of employment, or any one or more of such forms of insurance or protection. *A school district may elect to provide any or all of these benefits through self-insurance.* Any such governmental unit, including county extension committees and those paying their employees, may pay all or any part of the premiums or charges on such insurance or protection. Any such payment shall be deemed to be additional compensation paid to such officers or employees but for purposes of determining contributions or benefits under any public pension or retirement system it shall not be deemed to be additional compensation. Any one or more of such governmental units may determine that a person is an officer or employee if such officer or employee receives a portion of his income from such governmental subdivisions without regard to the manner of his election or appointment. The appropriate officer of such governmental unit, or those disbursing county extension funds, shall deduct from the salary or wages of each officer and employee who elects to become insured or so protected, on the officer's or employee's written order, all or part of the officer's or employee's share of such premiums or charges and remit the same to the insurer or company issuing such policy or contract.

Any governmental unit which pays all or any part of such premiums or charges is authorized to levy and collect a tax, if necessary, in the next annual tax levy for the purpose of providing the necessary funds for the payment of such premiums or charges, and except for school districts such sums so levied and appropriated shall not, in the event such sum exceeds the maximum sum allowed by any law or the charter of a municipal corporation, be considered part of the cost of government of such governmental unit as defined in any tax levy or per capita expenditure limitation; provided at least 50 percent of the cost of benefits on dependents shall be contributed by the employee or be paid by levies within existing per capita tax limitations.

The word "dependents" as used herein shall mean spouse and minor unmarried children under the age of 18 years actually dependent upon the employee.

Sec. 78. [REPORT; DISEQUALIZING RESOURCES.] *Prior to January 1, 1979, the commissioner shall file a written report with the appropriate education committees and subcommittees of the senate and house of representatives on the amount of revenues derived by each district in the state for the 1973-1974, 1974-1975, 1975-1976, 1976-1977 or the 1977-1978 school year pursuant to each of the following statutes: 84A.51, subdivision 4; 88.51; 88.52, subdivision 4; 89.036; 90.50, subdivision 5; 93.283, subdivision 7; 93.335, subdivision 4; 94.52; 94.521; 97.49; 124.63; 270.38; 272.04; 272.05; 272.68, subdivision 3; 273.111, subdivision 10; 273.112, subdivision 8; 273.13, subdivision 2a; 274.19, subdivision 7; 279.37, subdivision 7; 282.08; 285.14; 462.575, subdivision 3; 473F.08, subdivision 8; and Laws 1961, Chapter 612, Section 1. However, the commissioner shall not require reports of districts or report to the legislature on any revenues received pursuant to any one of these*

statutory provisions if that particular revenue is presently reduced or subtracted from the foundation aid of a district or if an amount attributable to that revenue is reduced from a school district's levies pursuant to section 275.125, subdivision 9.

Sec. 79. Laws 1967, Chapter 33, is amended by adding a section to read:

Sec. 6a. After April 15, 1978, a school district shall have the right to enter into an agreement with the city of Coon Rapids where the city pledges revenues for the acquisition and betterment of recreational facilities pursuant to Laws 1967, Chapter 33, only after authorization is granted the district by a majority of the electors voting on the question at a regular or special school election.

Sec. 80. Laws 1967, Chapter 822, Section 7, as amended by Laws 1969, Chapter 945, Section 2; Laws 1975, Chapter 432, Section 84; and Laws 1977, Chapter 447, Article V, Section 13, is amended to read:

Sec. 7. [TAX LEVIES.] The joint school board shall ~~may~~ each year, for the purpose of paying any administrative, planning, operating, or capital expenses incurred or to be incurred for area vocational-technical schools, certify to each participating school district the tax levy specified in Minnesota Statutes, Section 275.125, Subdivision 13, Clause (2). Additional tax levies may be certified which shall not in any year exceed .6 mills on each dollar of adjusted assessed valuation for special education and .7 mills on each dollar of adjusted assessed valuation for expenses for secondary vocational education. Each participating school district shall include such tax levies in the next tax roll which it shall certify to the county auditor or auditors, and shall remit the collections of such levies to the board promptly when received. Such levies shall not be included in computing the limitations upon the levy of any district under Minnesota Statutes, Section 275.125. The board may, any time after such levies have been certified to the participating school districts, issue and sell certificates of indebtedness in anticipation of the collection of such levies, but in aggregate amounts such as will not exceed the portion of the levies which is then not collected and not delinquent.

Sec. 81. Laws 1969, Chapter 775, Section 4, Subdivision 1, is amended to read:

Sec. 4. [FINANCING.] Subdivision 1. The intermediate school board shall be a public agency and may receive and disburse federal and state funds made available to it including moneys described in Minnesota Statutes, Section 121.21. For purposes of this act all post high school students attending facilities of said intermediate school district shall be deemed nonresident students, except those students residing within the component district where the facility is located, for purposes of state aids; provided that the percentage of students enrolled for which this school receives reimbursement on a nonresident basis shall not exceed the statewide average percentage of nonresident students in other area vocational technical schools. No participating school district as such shall

have any individual liability for the debts or obligations of said intermediate school district nor shall any individual serving as a member of the intermediate school board have such liability. Any property, real or personal, acquired, owned, leased, used, or controlled in any way by the intermediate board for its purposes shall be exempt from taxation by the state or any of its political subdivisions.

Sec. 82. Laws 1969, Chapter 775, Section 4, Subdivision 2, as amended by Laws 1971, Chapter 267, Section 3; Laws 1975, Chapter 432, Section 85; and Laws 1977, Chapter 447, Article V, Section 14, is amended to read:

Subd. 2. The intermediate school board shall *may* in each year for the purpose of paying any administrative, planning, operating, or capital expenses incurred or to be incurred certify to each county auditor of each county in which said intermediate school district shall lie, as a single taxing district, the tax levy specified in Minnesota Statutes, Section 275.125, Subdivision 13, Clause (2). Additional tax levies may be certified which shall not in any year exceed .6 mills on each dollar of adjusted assessed valuation for expenses for special education and .5 mills on each dollar of adjusted assessed valuation for expenses for secondary vocational education. Said annual tax levies shall be certified pursuant to Minnesota Statutes, Section 124.02. Upon such certification the county auditor or auditors and other appropriate county officials shall levy and collect such levies and remit the proceeds of collection thereof to the intermediate school district as in the case with independent school districts. Such levies shall not be included in computing the limitations, if any, upon the levy of the intermediate district or any of the participating districts under Minnesota Statutes, Section 275.125. After such levies have been certified to the appropriate county officials the intermediate school board may issue and sell by negotiation or at public sale its certificates of indebtedness in anticipation of the collection of such levies, but in aggregate amount such as will not exceed the portion of such tax levy which is then not collected and not delinquent.

Sec. 83. Laws 1969, Chapter 1060, Section 7, as amended by Laws 1975, Chapter 432, Section 86, and Laws 1977, Chapter 447, Article V, Section 15, is amended to read:

Sec. 7. [TAX LEVIES.] The joint school board shall *may* each year, for the purpose of paying any administrative, planning, operating, or capital expenses incurred or to be incurred for area vocational-technical schools, certify to each participating school district the tax levy specified in Minnesota Statutes, Section 275.125, Subdivision 13, Clause (2). Additional tax levies may be certified which shall not in any year exceed .6 mills on each dollar of adjusted assessed valuation for expenses for special education and .5 mills on each dollar of adjusted assessed valuation for expenses for secondary vocational education. Each participating school district shall include such tax levies in the next tax roll which it shall certify to the county auditor or auditors,

and shall remit the collections of such levies to the board promptly when received. Such levies shall not be included in computing the limitations upon the levy of any district under Minnesota Statutes, Section 275.125. The board may, any time after such levies have been certified to the participating school districts, issue and sell certificates of indebtedness in anticipation of the collection of such levies, but in aggregate amounts such as will not exceed the portion of the levies which is then not collected and not delinquent.

Sec. 84. Laws 1971, Chapter 722, Section 1, as amended by Laws 1975, Chapter 432, Section 87, is amended to read:

Section 1. [SPECIAL SCHOOL DISTRICT NO. 1; TAX LEVY.] To provide moneys to pay any administrative, operational, planning or capital expenses of an area vocational-technical school established pursuant to the provisions of Minnesota Statutes, Section 121.21, the board of directors of special school district No. 1 of Minneapolis shall ~~may~~ levy the tax specified in ~~section 76, clause 1 of this act~~ *Minnesota Statutes, Section 275.125, Subdivision 13, Clause (1)*.

Sec. 85. Laws 1974, Chapter 237, is amended to read:

Section 1. [INDEPENDENT SCHOOL DISTRICT NO. 709; TERMINATION OF TEACHING POSITIONS.] Independent School District No. 709, St. Louis County, and the exclusive representative of teachers as defined by Minnesota Statutes, 1973 Supplement, Section 179.63; Subdivision 13, may enter into a written agreement with respect to the termination of such teachers due to discontinuance of position or lack of pupils within the school district, which may include a method, system or scheme other than that provided by Minnesota Statutes, Section 125.17, Subdivision 11, or any act amendatory thereof.

Sec. 2. Any written agreement authorized by section 1 of this act shall not alter or abridge the rights of other certificated employees governed by Minnesota Statutes, 1977 Supplement, Section 125.17, Subdivision 11, if they become subject to such agreement.

Sec. 2 3. This act is effective the day following final enactment.

Sec. 86. [SUMMER SCHOOL DEFICIENCY.] Laws 1977, Chapter 447, Article 1, Section 23, Subdivision 2, is amended to read:

Subd. 2. [FOUNDATION AID.] For foundation aid there is appropriated:

\$611,600,000 1978,

\$634,300,000 1979.

(a) The appropriation in this subdivision for fiscal year 1978 includes not to exceed \$60,000,000 for the payment of the final foundation aid distribution for fiscal year 1977, of which not to exceed \$8,241,000 \$8,826,000 is for foundation aid for 1977 summer school programs.

(b) The appropriation in this subdivision for fiscal year 1979 includes not to exceed \$58,150,000 for the payment of the final foundation aid distribution for fiscal year 1978, of which not to exceed \$8,850,000 is for foundation aid for 1978 summer school programs.

Sec. 87. [RESIDENTIAL FACILITIES DEFICIENCY.] Laws 1977, Chapter 447, Article III, Section 16, Subdivision 2, is amended to read:

Subd. 2. For special education aid there is appropriated:

\$66,225,000 1978,

\$78,140,000 1979.

(a) The appropriation in this subdivision for fiscal year 1978 includes not to exceed \$8,177,000 for the payment of the final special education aid distribution to each district for fiscal year 1977, of which not to exceed \$2,800,000 is for special education aid for 1977 summer school programs.

(b) The appropriation in this subdivision for fiscal year 1979 includes not to exceed \$10,373,317 for the payment of the final special education aid distribution to each school district for fiscal year 1978, of which not to exceed \$3,780,000 is for special education aid for 1978 summer school programs.

(c) The appropriations in this subdivision include not to exceed ~~\$500,000~~ \$550,000 in 1978 and \$600,000 in 1979 for aid pursuant to section 124.32, subdivision 5. These amounts are the total appropriations for this purpose for each year.

Sec. 88. *Notwithstanding the provisions of Laws 1977, Chapter 447, Article II, Section 11, Subdivision 2, Clause (d), any unexpended balance of the \$150,000 appropriated pursuant to that clause for transportation aid authorized pursuant to section 124.223, clause (9) for the year ending June 30, 1978 shall be available for the same purpose for the year ending June 30, 1979. Nothing in this section, however, shall be construed to modify the proration requirement, as to these sums, which is specified in Laws 1977, Chapter 447, Article II, Section 11, Subdivision 3.*

Sec. 89. [DEFICIENCY APPROPRIATION; ADVISORY COUNCILS.] *There is appropriated from the general fund to the department of education the sum of \$5,500 for the year ending June 30, 1978 and the sum of \$11,000 for the year ending June 30, 1979, for the purpose of paying the expenses of the advisory council on the Minnesota school for the deaf and the advisory council on the Minnesota braille and sight-saving school. The appropriations in this section shall be added to the sums appropriated for that purpose for the years designated in Laws 1977, Chapter 449, Section 2, Subdivision 3.*

Sec. 90. [DEFICIENCY APPROPRIATION; COMMUNITY EDUCATION.] *There is appropriated from the general fund to the state department of education the sum of \$35,000 for the year ending June 30, 1978. The appropriation in this section shall be*

added to the sum appropriated for the same year in Laws 1977, Chapter 447, Article IV, Section 7, Subdivision 4.

Sec. 91. [AID FOR SECONDARY VOCATIONAL EDUCATION PROGRAMS FOR HANDICAPPED CHILDREN; TRANSFER OF APPROPRIATED SUMS.] Subdivision 1. The sum of \$1,800,000 shall be available to the department of education for secondary vocational education programs for handicapped children for the year ending June 30, 1979.

(a) Of this amount, the sum of \$1,538,000 is transferred from the special education aid appropriation for fiscal year 1979 in Laws 1977, Chapter 447, Article III, Section 16, Subdivision 2, and reappropriated for this purpose.

(b) This amount is based on the assumption that the state will spend for this purpose an amount at least equal to \$262,000 in fiscal year 1979, of federal money received for vocational education programs pursuant to the Vocational Education Act of 1963, as amended.

Subd. 2. None of the amounts transferred and reappropriated for secondary vocational education for handicapped children shall be used for any other purpose. If the amount reappropriated is insufficient, the aid shall be prorated among all qualifying districts and the state shall not be obligated for any amount in excess of the appropriation in this section for this purpose.

Sec. 92. [APPROPRIATIONS; CQE SHARED TIME EDUCATION GRANTS.] Subdivision 1. The sum of \$50,000 is appropriated from the general fund to the state department of education for the school year ending June 30, 1979 for grants by the council on quality education to not more than six shared time education programs and for dissemination of information relating to these programs. The sum of \$8,000 is appropriated from the general fund to the department of education for the school year ending June 30, 1979 for administration of this grant program by the council on quality education. These programs or grants shall be as equally distributed as possible among districts in cities of the first class, in suburbs, and outside the seven county metropolitan area.

Subd. 2. Each program shall provide for an advisory committee appointed by the local board of education. A majority of the members of each advisory committee shall be parents of public and non-public school pupils eligible to be served by the program.

Subd. 3. The department of education shall provide technical and professional assistance to programs funded pursuant to subdivision 1 and shall make maximum use of its existing information services to inform the public of shared time education programs.

Sec. 93. [APPROPRIATION; TRAVEL AID.] There is appropriated from the general fund to the department of education the sum of \$700,000 for the fiscal year ending June 30, 1979, for the travel aid established in section 33 of this act. If this amount is insufficient, the aid shall be prorated among all qualifying units and the state shall not be obligated for this purpose.

Sec. 94. [APPROPRIATION; VETERAN'S TUITION.] *There is appropriated from the general fund to the state department of education the sum of \$840,000 for the year ending June 30, 1979. The appropriation in this section shall be added to the sum appropriated for the year designated in Laws 1967, Chapter 447, Article V, Section 20, Subdivision 2.*

Sec. 95. [APPROPRIATIONS; AFDC CONCENTRATION.] *There is appropriated from the general fund to the department of education the sum of \$1,164,600 for the year ending June 30, 1979. This amount shall be added to the sum appropriated for the year designated in Laws 1977, Chapter 447, Article 1, Section 23, Subdivision 2.*

Sec. 96. [REPEALER.] *Subdivision 1. Minnesota Statutes 1976, Sections 120.065, 120.07, 124.02, and 124.16 are repealed. Minnesota Statutes, 1977 Supplement, Section 123.39, Subdivision 5a, is repealed. This subdivision shall be effective the day following final enactment.*

Subd. 2. Minnesota Statutes, 1977 Supplement, Section 124.213, is repealed. This subdivision shall be effective on July 1, 1978.

Sec. 97. [EFFECTIVE DATES.] *Subdivision 1. Except as provided in this section, the provisions of this act shall be effective the day following its final enactment.*

Subd. 2. Sections 57 and 60 of this act shall be retroactively effective on July 1, 1977. Section 11 of this act shall be retroactively effective on July 1, 1977 and permanent fund transfers from an area vocational-technical school's general fund to its capital expenditure fund made after June 30, 1977 are validated.

Subd. 3. Sections 5, 6, 7, 24, 30, 32, 33, 37, 38, 39, 40, 41, 48, 62, 63, 64, 65, 67, 80, 82, 83, 84, 92, 93, 94, and 95 of this act shall be effective on July 1, 1978."

Further, amend the title by striking it in its entirety and inserting:

"A bill for an act relating to education; providing for certain adjustments in aids to education, tax levies, and the distribution of tax revenues; granting certain powers and duties to school boards, school districts, school bus contractors, the commissioner of education, the state board of education, the state board for vocational education, and the board of teaching; allowing certain fees; establishing formulas for travel aid and aid for certain secondary vocational education programs; increasing incentives for teacher mobility; appropriating money; amending Minnesota Statutes 1976, Sections 6.62, Subdivision 1; 120.17, Subdivision 3; 120.64, Subdivision 4; 120.73, by adding a subdivision; 121.21, Subdivision 6; 121.216; 121.904, Subdivision 7, and by adding a subdivision; 122.23, by adding subdivisions; 123.34, Subdivisions 4 and 8; 123.37, Subdivisions 1b, 3 and 4; 123.39, by adding subdivisions; 124.15, Subdivisions 2 and 6; 124.17, by adding a subdivision; 124.212, Subdivision 20; 124.222, by adding a subdivision; 124.563, Subdivision 2; 124.565, by adding a

subdivision; 125.12, Subdivisions 6a and 6b; 125.185, Subdivision 4, and by adding a subdivision; 126.12; 127.25, Subdivisions 1, 2, and by adding a subdivision; 128A.02, by adding a subdivision; 128A.03, Subdivision 2; 134.03; 275.125, Subdivisions 6, 15, 16 and 18, and by adding a subdivision; 275.48; 298.39; 298.396; 471.16, Subdivision 1; 471.61, Subdivision 1; Chapter 120, by adding a section; Chapter 124, by adding sections; Minnesota Statutes, 1977 Supplement, Sections 121.912, Subdivision 1; 124.17, Subdivision 1; 124.212, Subdivisions 5a and 8a; 124.214; 124.222, Subdivision 6; 124.223; 124.32, Subdivisions 1b, 5 and 7; 124.562, Subdivision 1; 124.563, Subdivision 1; 124.572, Subdivision 3; 124.573, Subdivisions 2, 3, and by adding a subdivision; 125.60, Subdivision 2; 125.61, Subdivisions 1 and 2; 176.011, Subdivision 9; 275.07; 275.124; 275.125, Subdivisions 2a, 9 and 13; 298.28, Subdivision 1; Laws 1967, Chapter 33, by adding a section; Laws 1967, Chapter 822, Section 7, as amended; Laws 1969, Chapter 775, Section 4, Subdivision 1 and Subdivision 2, as amended; Laws 1969, Chapter 1060, Section 7, as amended; Laws 1971, Chapter 722, Section 1, as amended; Laws 1974, Chapter 237; Laws 1977, Chapter 447, Article I, Section 23, Subdivision 2 and Article III, Section 16, Subdivision 2; repealing Minnesota Statutes 1976, Sections 120.065; 120.07; 124.02; 124.16; Minnesota Statutes, 1977 Supplement, Sections 123.39, Subdivision 5a; and 124.213."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Coleman from the Committee on Rules and Administration, to which were referred H. F. Nos. 807, 1838, 1909, 1825 for comparison with companion Senate Files, reports the following House Files were found not identical with their companion Senate Files as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H. F. No.	S. F. No.	H. F. No.	S. F. No.	H. F. No.	S. F. No.
807	712				
1838	1859				
1909	1608				
1825	1750				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H. F. No. 807 be amended as follows:

Page 1, line 22, strike "consisting of the counties of Anoka,"

Page 1, line 23, strike the old language and delete the underscored

Page 1, line 24, delete the underscored language and strike "and Washington,"

And when so amended H. F. No. 807 will be identical to S. F. No. 712, and further recommends that H. F. No. 807 be given its second reading and substituted for S. F. No. 712, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H. F. No. 1838 be amended as follows:

Page 1, delete lines 10 to 23

Delete page 2

Page 3, delete lines 1 to 31 and insert

"Section 1. Laws 1969, Chapter 1134, Section 1, Subdivision 5, is amended to read:

Subd. 5. "Public transit" means transportation of passengers for hire by means, without limitation, of a street railway, elevated railway, subway, underground railroad, motor vehicles, busses, or other means of conveyance operating as a common carrier on a regular route or routes, or any combination thereof; provided, however, that "public transit" shall not include a common carrier railroad or common carrier railroads. *Public transit shall include paratransit as defined in Minnesota Statutes, Section 174.22, Subdivision 6.*"

Page 4, delete lines 6 to 24

Further amend the title by deleting line 6 and inserting "Sections 1, Subdivision 5; and 3,"

And when so amended H. F. No. 1838 will be identical to S. F. No. 1859, and further recommends that H. F. No. 1838 be given its second reading and substituted for S. F. No. 1859, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H. F. No. 1909 be amended as follows:

Page 1, after line 15, insert

"Sec. 2. [EFFECTIVE DATE.] *This act is effective the day following final enactment.*"

And when so amended H. F. No. 1909 will be identical to S. F. No. 1608, and further recommends that H. F. No. 1909 be given its second reading and substituted for S. F. No. 1608, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H. F. No. 1825 be amended as follows:

Page 1, line 10, delete "214" and insert "144"

Page 1, line 12, delete "[214.061]" and insert "[144.051]"

Page 1, line 20, delete "summary"

Page 1, line 22, before the period insert "*as defined in section 214.01, subdivision 2*"

Page 2, line 2, delete "*of this act*"

Page 2, line 6, delete "214" and insert "144"

Page 2, line 8, delete "[214.062]" and insert "[144.052]"

Page 2, line 9, before the comma insert "*as defined in section 214.01, subdivision 2*"

Page 2, line 14, after "*status*," insert "*and*"

Page 2, line 27, after "materials" insert a comma

Further, amend the title

Line 7, delete "214" and insert "144"

And when so amended H. F. No. 1825 will be identical to S. F. No. 1750, and further recommends that H. F. No. 1825 be given its second reading and substituted for S. F. No. 1750, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

SECOND READING OF SENATE BILLS

S. F. Nos. 2234 and 2264 were read the second time.

S. F. Nos. 2006, 1935, 2072, 2073, 2192, 2239, 2308, 1441 and 1973 were read the second time and referred to the Subcommittee on Bill Scheduling of the Committee on Rules and Administration.

SECOND READING OF HOUSE BILLS

H. F. Nos. 807, 1838, 1909 and 1825 were read the second time.

MOTIONS AND RESOLUTIONS

Mr. Moe moved that the name of Mr. Sikorski be added as co-author to S. F. No. 1684. The motion prevailed.

Mr. Stumpf moved that his name be stricken as co-author to S. F. No. 1995. The motion prevailed.

Mr. Olson moved that the name of Mr. Vega be stricken as co-author to S. F. No. 1995. The motion prevailed.

Mr. Nichols moved that the name of Mr. Willet be added as co-author to S. F. No. 2178. The motion prevailed.

Mr. Solon moved that the names of Mr. Kleinbaum, Mrs. Brataas, Messrs. Sikorski and Tennesen be added as co-authors to S. F. No. 2315. The motion prevailed.

Mr. Dieterich moved that the name of Mrs. Staples be added as co-author to S. F. No. 2357. The motion prevailed.

Mr. Davies moved that S. F. No. 1252 be withdrawn from the Committee on Judiciary and re-referred to the Committee on Finance. The motion prevailed.

Mr. Tennesen moved that the report from the Committee on Commerce, reported February 27, 1978, pertaining to appointments, be taken from the table. The motion prevailed.

Mr. Tennesen moved that the foregoing report be now adopted. The motion prevailed.

CONFIRMATION

Mr. Tennesen moved that in accordance with the report from the Committee on Commerce, reported February 27, 1978, the Senate, having given its advice, do now consent to and confirm the appointments of:

DEPARTMENT OF COMMERCE CONSUMER SERVICES DIVISION DIRECTOR

Tobey Lapakko, 1671 South Victoria Road, St. Paul, Ramsey County, effective February 1, 1978, for a term expiring the first Monday in January, 1979.

CABLE COMMUNICATIONS BOARD

Eugene Schroeder, 2757 Upland Court, Plymouth, Hennepin County, effective January 10, 1978, for a term expiring the first Monday in January, 1979.

John Stone, 608 East Minnesota, Glenwood, Pope County, effective January 1, 1978, for a term expiring the first Monday in January, 1981.

Dr. Jennis Bapst, 404 Highland Drive, Hibbing, St. Louis County, effective November 21, 1977, for a term expiring the first Monday in January, 1982.

PUBLIC SERVICE COMMISSION

Ruth Cain, 3548 Holmes Avenue South, Minneapolis, Hennepin County, effective January 10, 1978, for a term expiring the first Monday in January, 1979.

Arlen I. Erdahl, 20 West Imperial Drive, West St. Paul, Dakota County, effective January 1, 1978, for a term expiring the first Monday in January, 1984.

Juanita Satterlee, 203 West Redwood, Marshall, Lyon County, effective April 15, 1977, for a term expiring January 1, 1983.

The motion prevailed. So the appointments were confirmed.

RECONSIDERATION

Mr. Peterson moved that the vote whereby S. F. No. 1622 failed to pass the Senate on March 1, 1978, be now reconsidered. The motion prevailed.

Mr. Peterson moved that S. F. No. 1622 be placed at the top of General Orders. The motion prevailed.

THIRD READING OF SENATE BILLS

S. F. No. 1206: A bill for an act relating to aircraft; clarifying compulsory insurance requirements; requiring maintenance of liability coverage only during periods of contemplated aircraft use or operation; amending Minnesota Statutes 1976, Section 360.59, Subdivision 10.

Mr. Ashbach moved that S. F. No. 1206 be stricken and placed at the top of General Orders. The motion prevailed.

THIRD READING OF HOUSE BILLS

H. F. No. 1882: A bill for an act relating to commerce; repealing the fair trade laws; repealing Minnesota Statutes 1976, Sections 325.08 to 325.14.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 53 and nays 4, as follows:

Those who voted in the affirmative were:

Anderson	Engler	Knutson	Olson	Staples
Ashbach	Gearty	Laufenburger	Penny	Stokowski
Bang	Gunderson	Lessard	Perpich	Strand
Benedict	Hanson	Lewis	Peterson	Stumpf
Bernhagen	Hughes	Luther	Pillsbury	Tennessen
Brataas	Jensen	Menning	Renneke	Ueland, A.
Chenoweth	Johnson	Moe	Schaaf	Ulland, J.
Coleman	Keefe, J.	Nelson	Sieloff	Vega
Davies	Keefe, S.	Nichols	Sikorski	Wegener
Dieterich	Kirchner	Ogdahl	Sillers	
Dunn	Knaak	Olhoff	Spear	

Messrs. Chmielewski, Kleinbaum, Schrom and Willet voted in the negative.

So the bill passed and its title was agreed to.

CONSENT CALENDAR

S. F. No. 1547: A bill for an act relating to Independent School District No. 624 and Independent School District No. 12; providing for the exchange of territory between the districts.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 55 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Engler	Knaak	Olhoff	Solon
Bang	Gearty	Knutson	Olson	Staples
Benedict	Gunderson	Laufenburger	Penny	Stokowski
Bernhagen	Hanson	Lessard	Perpich	Strand
Brataas	Hughes	Lewis	Peterson	Stumpf
Chenoweth	Jensen	Luther	Pillsbury	Tennessee
Chmielewski	Johnson	Menning	Renneke	Ueland, A.
Coleman	Keefe, J.	Moe	Schrom	Ulland, J.
Davies	Keefe, S.	Nelson	Sieloff	Vega
Dieterich	Kirchner	Nichols	Sikorski	Wegener
Dunn	Kleinbaum	Ogdahl	Sillers	Willet

So the bill passed and its title was agreed to.

S. F. No. 1194: A bill for an act relating to real estate; removing specific charge for copies of instrument filed with registrar; amending Minnesota Statutes 1976, Section 508.38.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 56 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Gearty	Laufenburger	Perpich	Strand
Bang	Gunderson	Lessard	Peterson	Stumpf
Benedict	Hanson	Lewis	Pillsbury	Tennessee
Bernhagen	Hughes	Luther	Renneke	Ueland, A.
Brataas	Jensen	Menning	Schrom	Ulland, J.
Chenoweth	Johnson	Moe	Sieloff	Vega
Chmielewski	Keefe, J.	Nelson	Sikorski	Wegener
Coleman	Keefe, S.	Nichols	Sillers	Willet
Davies	Kirchner	Ogdahl	Solon	
Dieterich	Kleinbaum	Olhoff	Spear	
Dunn	Knaak	Olson	Staples	
Engler	Knutson	Penny	Stokowski	

So the bill passed and its title was agreed to.

H. F. No. 1879: A bill for an act relating to the trunk highway system; discontinuing and removing certain routes therefrom; adding a new route in substitution of an existing route.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 57 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Bernhagen	Coleman	Engler	Hughes
Ashbach	Brataas	Davies	Gearty	Jensen
Bang	Chenoweth	Dieterich	Gunderson	Johnson
Benedict	Chmielewski	Dunn	Hanson	Keefe, J.

Keefe, S.	Luther	Penny	Sillers	Ueland, A.
Kirchner	Menning	Perpich	Solon	Ulland, J.
Kleinbaum	Moe	Peterson	Spear	Vega
Knaak	Nelson	Pillsbury	Staples	Wegener
Knutson	Nichols	Renneke	Stokowski	Willet
Laufenburger	Ogdahl	Schrom	Strand	
Lessard	Olhoff	Sieloff	Stumpf	
Lewis	Olson	Sikorski	Tennessee	

So the bill passed and its title was agreed to.

GENERAL ORDERS

The Senate resolved itself into a Committee of the Whole, with Mr. Gearty in the chair.

After some time spent therein, the committee arose, and Mr. Gearty reported that the committee had considered the following:

S. F. No. 1622, which the committee recommends to pass with the following amendment offered by Mr. Peterson:

Page 3, line 8, strike "\$5" and insert "\$3"

Page 5, line 6, strike "\$750,000" and insert "\$450,000"

S. F. No. 1630 which the committee reports progress, subject to the following motions:

Mr. Keefe, S. moved to amend S. F. No. 1630 as follows:

Page 3, line 13, strike "county"

Page 3, line 14, strike "or"

Page 3, line 15, strike "county or"

Page 13, line 25, strike "this"

Page 13, line 25, after "chapter" insert "207"

Page 14, line 1, strike "this"

Page 14, line 1, after "chapter" insert "207"

Page 29, after line 7, insert:

"Sec. 28. [FORMER PROVISIONS STILL IN EFFECT UNTIL ADOPTION OF RULES.] *County auditors and municipal clerks shall continue to print any forms or other items heretofore required by Minnesota Statutes, Chapter 207, in accordance with the description of the form or items heretofore provided in that chapter and shall provide for return of absentee ballots to the judges in the precincts as heretofore provided by law until the secretary of state adopts permanent rules pursuant to section 18 of this act or section 207.08, subdivision 2, respectively.*

Sec. 29. [TEMPORARY RULES.] *The secretary of state may adopt temporary rules as provided in section 15.0412, subdivision 5, solely for the purpose of establishing the form and content of proof of residence certificates required by this act for administration of Minnesota Statutes, Chapter 207.*

Page 29, line 25, strike “; *provided that*” and insert a period

Page 29, strike lines 26 to 32

Page 30, strike lines 1 to 4

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, strike “for” and insert “of and granting temporary rulemaking power to”

The motion prevailed. So the amendment was adopted.

Mr. Schaaf moved to amend S. F. No. 1630 as follows:

Page 8, after line 27, insert

“Sec. 10. Minnesota Statutes, 1977 Supplement, Section 204A.17, Subdivision 1, is amended to read:

204A.17 [JUDGES OF ELECTION.] Subdivision 1. [APPOINTMENT, QUALIFICATION.] At least 65 days before any election for a partisan political office, the county or legislative district chairman, whichever is designated by the state party, of each political party as defined in section 200.02, subdivision 7, shall furnish a list of qualified voters in each election precinct in the county or legislative district, whichever applies, to act as election judges, to the auditor of the county in which the precinct is located. At least 55 days before the date of the election, the county auditor shall furnish to each of the several appointing authorities of judges for the various election precincts, a list of the appropriate names for each election precinct. Separate lists shall be so submitted by the county auditor for each political party. If any county or legislative district chairman of a political party shall fail to submit a list to the county auditor as hereinbefore provided, the appointing authorities shall select and appoint qualified electors as herein or otherwise provided by law. Except in cities of the first class The council of each municipality and the county board in unorganized territory shall appoint, in the manner provided for in this section, qualified voters in that municipality or county to be judges of election. The appointments shall be made at least 25 days before any election. The appointments shall be made from a list of qualified voters provided for in this section subject to the limitations of section 204A.18, subdivision 1. A person may be appointed an election judge for a precinct in which he does not reside if an insufficient number of names of qualified voters in that precinct are on file in the office of the appointing authority. The council or county board may make such rules as it deems necessary including the examination of applicants, to determine the qualification of judges.”

Page 29, line 21, after “Sections” insert “204A.17, Subdivision 2,”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 7, after "state;" insert "eliminating civil service appointment of election judges in first class cities;"

Page 1, line 15, after "6;" insert "204A.17, Subdivision 1;"

Page 1, line 18, after "Sections" insert "204A.17, Subdivision 2;"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 38 and nays 15, as follows:

Those who voted in the affirmative were:

Anderson	Dieterich	Laufenburger	Penny	Strand
Benedict	Gearty	Lessard	Peterson	Stumpf
Bernhagen	Gunderson	Lewis	Schaaf	Tennessen
Borden	Hanson	Luther	Setzepfandt	Vega
Chenoweth	Hughes	Menning	Sikorski	Wegener
Chmielewski	Humphrey	Moe	Spear	Willet
Coleman	Johnson	Nelson	Staples	
Davies	Keefe, S.	Olhoft	Stokowski	

Those who voted in the negative were:

Ashbach	Jensen	Knaak	Perpich	Sillers
Bang	Keefe, J.	Knutson	Pillsbury	Ueland, A.
Engler	Kirchner	Ogdahl	Renneke	Ulland, J.

The motion prevailed. So the amendment was adopted.

Mr. Schaaf then moved to amend S. F. No. 1630 as follows:

Page 9, line 6, before "No" insert "*Each precinct in which less than 100 persons voted at the last general election shall have at least two judges who are members of different political parties who have received training as required in this section. In every other precinct,*"

Page 13, line 29, restore the old period

The motion prevailed. So the amendment was adopted.

S. F. No. 1630 was then progressed.

On motion of Mr. Coleman, the report of the Committee of the Whole, as kept by the Secretary, was adopted.

Without objection, the Senate reverted to the Order of Business of Introduction and First Reading of Senate Bills.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bill was read the first time and referred to the committee indicated.

Mr. Laufenburger introduced—

S. F. No. 2372: A bill for an act relating to labor and employment; employee wage deductions; amending Minnesota Statutes, 1977 Supplement, Section 181.79, Subdivision 1.

Referred to the Committee on Employment.

MOTIONS AND RESOLUTIONS—CONTINUED

Mr. Borden moved that his name be stricken as chief author, added as co-author and Mr. Schaaf be shown as chief author to S. F. No. 1478. The motion prevailed.

Mr. Coleman moved that the Senate do now adjourn until 9:00 o'clock a.m., Saturday, March 4, 1978. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate