

NINETY-EIGHTH DAY

St. Paul, Minnesota, Thursday, March 23, 1978

The Senate met at 9:00 o'clock a.m. and was called to order by the President.

CALL OF THE SENATE

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

Anderson	Frederick	Luther	Schaaf	Tennessen
Benedict	Gearty	Moe	Schmitz	Ueland, A.
Bernhagen	Gunderson	Nelson	Schrom	Ulland, J.
Borden	Jensen	Olhoft	Setzepfandt	Vega
Chmielewski	Keefe, S.	Olson	Sieloff	Wegener
Coleman	Kleinbaum	Penny	Sikorski	Willet
Dieterich	Knaak	Peterson	Spear	
Dunn	Laufenburger	Purfeerst	Stokowski	
Engler	Lessard	Renneke	Stumpf	

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

Prayer was offered by the Chaplain, Rabbi Harold Schechter.

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

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

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

Mr. Benedict was excused from the Session of today from 12:00 o'clock noon to 3:00 o'clock p.m.

Pursuant to Rule 21, Mr. McCutcheon moved that the following members be excused for a Conference Committee on H. F. No. 1191:

Messrs. Hanson, Frederick, McCutcheon, Stokowski. The motion prevailed.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

March 21, 1978

The Honorable Edward J. Gearty
President of the Senate

Dear Sir:

I have the honor to inform you that I have received, approved, signed, and deposited in the Office of the Secretary of State, Senate File No. 2236.

Sincerely,
Rudy Perpich, Governor

March 21, 1978

The Honorable Martin O. Sabo
Speaker of the House of Representatives

The Honorable Edward J. Gearty
President of the Senate

I have the honor to inform you that the following enrolled Act of the 1978 Session of the State Legislature has been received from the Office of the Governor and is deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S. F. No.	H. F. No.	Session Laws Chapter No.	Date Approved 1978	Date Filed 1978
2236		508	March 21	March 21

Sincerely,
Joan Anderson Growe,
Secretary of State

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 338.

H. F. No. 338: A bill for an act relating to commerce; providing an exclusive remedy for products liability actions; providing a statute of limitations; providing certain defenses; providing for the reporting of claims to the commissioner of insurance.

And the House respectfully requests that a Conference Committee of three members be appointed thereon.

Berkelman, Heinitz and Sieben, H., have been appointed as such committee on the part of the House.

House File No. 338 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives
Transmitted March 22, 1978

Mr. Tennesen moved that the Senate accede to the request of the House for a Conference Committee on H. F. No. 338, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 649.

H. F. No. 649: A bill for an act relating to intoxicating liquor; authorizing certain counties to issue off-sale liquor licenses in unorganized areas of the county; amending Minnesota Statutes 1976, Section 340.11, by adding a subdivision.

And the House respectfully requests that a Conference Committee of three members be appointed thereon.

Fugina, Jaros and Pleasant have been appointed as such committee on the part of the House.

House File No. 649 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives
Transmitted March 22, 1978

Mr. Solon moved that the Senate accede to the request of the House for a Conference Committee on H. F. No. 649, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 1119 and repassed said bill in accordance with the report of the Committee, so adopted.

H. F. No. 1119: A bill for an act relating to Ramsey county; providing for additional membership on its civil service commission;

further prescribing and clarifying the duties of the commission; eliminating per diem payments for library board members; amending Laws 1974, Chapter 435, Section 3.02; repealing Laws 1974, Chapter 435, Section 1.0208.

House File No. 1119 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 22, 1978

CONFERENCE COMMITTEE REPORT ON H. F. NO. 1119

A bill for an act relating to Ramsey county; providing for additional membership on its civil service commission; further prescribing and clarifying the duties of the commission; eliminating per diem payments for library board members; amending Laws 1974, Chapter 435, Section 3.02; repealing Laws 1974, Chapter 435, Section 1.0208.

March 20, 1978

The Honorable Martin O. Sabo
Speaker of the House of Representatives

The Honorable Edward J. Gearty
President of the Senate

We, the undersigned conferees for H. F. No. 1119, report that we have agreed upon the items in dispute and recommend as follows:

That the House concur with the Senate amendments and that H. F. No. 1119 be further amended as follows:

Page 10, after line 26, insert:

"(14) The executive secretary or the principal administrative officer of the county and seven principal assistants, appointed and terminated by the executive secretary or the principal administrative officer, except that until January 1, 1980 such appointments and terms shall be submitted to the Ramsey county government study commission. Such consideration shall be advisory only."

Page 17, after line 10, insert:

"Sec. 2. Notwithstanding the provisions of Minnesota Statutes, Section 375A.13 or any other law to the contrary, the Ramsey county government study commission established pursuant to Minnesota Statutes, Section 375A.13 and dissolved in December, 1977, shall be reestablished in the manner provided by law for the establishment of county government study commissions and shall remain in existence until January 1, 1980. The sole purpose of the commission shall be that as provided in Laws 1974, Chapter 435, Section 3.02, Subdivision 6."

Renumber the remaining sections

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Ann Wynia, Steven G. Novak, Randy C. Kelly.

Senate Conferees: (Signed) Neil Dieterich, Peter P. Stumpf, Delores Knaak.

Mr. Dieterich moved that the foregoing recommendations and Conference Committee Report on H. F. No. 1119 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H. F. No. 1119: A bill for an act relating to Ramsey county; providing for additional membership on its civil service commission; further prescribing and clarifying the duties of the commission; eliminating per diem payments for library board members; amending Laws 1974, Chapter 435, Section 3.02; repealing Laws 1974, Chapter 435, Section 1.0208.

Was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 40 and nays 7, as follows:

Those who voted in the affirmative were:

Anderson	Gunderson	Laufenburger	Schaaf	Staples
Ashbach	Hughes	Luther	Schmitz	Stokowski
Benedict	Jensen	Moe	Setzepfandt	Strand
Bernhagen	Johnson	Nelson	Sieloff	Stumpf
Dieterich	Keefe, J.	Ogdahl	Sikorski	Tennessen
Dunn	Keefe, S.	Olson	Sillers	Ueland, A.
Engler	Kleinbaum	Penny	Solon	Ulland, J.
Gearty	Knaak	Peterson	Spear	Vega

Those who voted in the negative were:

Chmielewski	Purfeerst	Schrom	Wegener	Willet
Olhoff	Renneke			

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

MESSAGES FROM THE HOUSE—CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 1786 and repassed said bill in accordance with the report of the Committee, so adopted.

H. F. No. 1786: A bill for an act relating to children; requiring a welfare agency receiving a report of a maltreated minor to notify the local police department or county sheriff; amending Minnesota Statutes 1976, Section 626.556, Subdivisions 1, 3, 4, 6, 7, 8 and

9; and Minnesota Statutes, 1977 Supplement, Section 626.556, Subdivisions 2 and 11.

House File No. 1786 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives
Transmitted March 22, 1978

CONFERENCE COMMITTEE REPORT ON H. F. NO. 1786

A bill for an act relating to children; requiring a welfare agency receiving a report of a maltreated minor to notify the local police department or county sheriff; amending Minnesota Statutes 1976, Section 626.556, Subdivisions 1, 3, 4, 6, 7, 8 and 9; and Minnesota Statutes, 1977 Supplement, Section 626.556, Subdivisions 2 and 11.

March 20, 1978

The Honorable Martin O. Sabo
Speaker of the House of Representatives

The Honorable Edward J. Gearty
President of the Senate

We, the undersigned conferees for H. F. No. 1786, report that we have agreed upon the items in dispute and recommend as follows:

That the House concur with the Senate amendments and that H. F. No. 1786 be further amended as follows:

Page 2, line 13, after the period, insert: "*Sexual abuse also includes any act which involves a minor which constitutes a violation of section 609.32.*"

Page 6, line 31, delete "*are*" and insert "*is*"

Page 6, line 32, strike "*all*" and before "*records*" insert "*each agency unable to substantiate the report shall destroy its*"

Page 7, line 1, strike "*shall be destroyed immediately*"

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Shirley A. Hokanson, Phyllis L. Kahn, John R. Kaley.

Senate Conferees: (Signed) Emily Anne Staples, Hubert H. Humphrey III, Douglas H. Sillers.

Mrs. Staples moved that the foregoing recommendations and Conference Committee Report on H. F. No. 1786 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H. F. No. 1786: A bill for an act relating to children; requiring a welfare agency receiving a report of a maltreated minor to notify

the local police department or county sheriff; amending Minnesota Statutes 1976, Section 626.556, Subdivisions 1, 3, 4, 6, 7, 8 and 9; and Minnesota Statutes, 1977 Supplement, Section 626.556, Subdivisions 2 and 11.

Was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 51 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Gunderson	Luther	Schmitz	Stumpf
Ashbach	Hughes	Moe	Schrom	Tennessee
Benedict	Jensen	Nelson	Setzepfandt	Ueland, A.
Bernhagen	Johnson	Ogdahl	Sieloff	Ulland, J.
Borden	Keefe, J.	Olhoff	Sikorski	Vega
Brataas	Keefe, S.	Olson	Sillers	Wegener
Chmielewski	Kleinbaum	Penny	Solon	Willet
Dieterich	Knaak	Peterson	Spear	
Dunn	Laufenburger	Purfeerst	Staples	
Engler	Lessard	Renneke	Stokowski	
Gearty	Lewis	Schaaf	Strand	

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

MESSAGES FROM THE HOUSE—CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 1838 and repassed said bill in accordance with the report of the committee, so adopted.

H. F. No. 1838: A bill for an act relating to the St. Cloud metropolitan transit commission; providing paratransit services authority; permitting contracts for certain services; amending Laws 1969, Chapter 1134, Section 3, Subdivisions 4 and 8, as amended; and by adding a subdivision.

House File No. 1838 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 22, 1978

CONFERENCE COMMITTEE REPORT ON H. F. NO. 1838

A bill for an act relating to the St. Cloud metropolitan transit commission; providing paratransit services authority; permitting contracts for certain services; amending Laws 1969, Chapter 1134, Section 3, Subdivisions 4 and 8, as amended; and by adding a subdivision.

March 20, 1978

The Honorable Martin O. Sabo
Speaker of the House of Representatives

The Honorable Edward J. Gearty
President of the Senate

We, the undersigned conferees for H. F. No. 1838, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments.

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) James C. Pehler, Bernard J. Brinkman, Joseph T. Niehaus

Senate Conferees: (Signed) Jack I. Kleinbaum, Ed Schrom, Robert G. Dunn.

Mr. Kleinbaum moved that the foregoing recommendations and Conference Committee Report on H. F. No. 1838 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H. F. No. 1838: A bill for an act relating to the St. Cloud metropolitan transit commission; providing paratransit services authority; permitting contracts for certain services; amending Laws 1969, Chapter 1134, Section 3, Subdivisions 4 and 8, as amended; and by adding a subdivision.

Was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 50 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Gunderson	Lewis	Purfeerst	Spear
Bang	Hughes	Luther	Renneke	Stokowski
Benedict	Jensen	Moe	Schaaf	Strand
Bernhagen	Johnson	Nelson	Schmitz	Stumpf
Borden	Keefe, J.	Nichols	Schrom	Tennessen
Chmielewski	Keefe, S.	Ogdahl	Setzepfandt	Ueland, A.
Dieterich	Kleinbaum	Olhoff	Sieloff	Ulland, J.
Dunn	Knaak	Olson	Sikorski	Vega
Engler	Laufenburger	Penny	Sillers	Wegener
Gearty	Lessard	Peterson	Solon	Willet

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

MESSAGES FROM THE HOUSE—CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the

recommendation and report of the Conference Committee on House File No. 1915 and repassed said bill in accordance with the report of the Committee, so adopted.

H. F. No. 1915: A bill for an act relating to taxation; providing that all orders relating to valuation of property for ad valorem taxes be issued on or before November 15; authorizing the commissioner of revenue to provide new income tax tables; defining the deduction for tuition and transportation expense in computing income tax; providing a seven year carryforward for farm losses; limiting the deduction for charitable contributions; authorizing the commissioner to require a copy of computations used to compute federal income tax; allowing spouses to file combined returns even if one is a nonresident; requiring employers to file a withholding application; providing property tax relief benefits for persons becoming disabled before June 1; defining the acreage eligible for homestead exemption for inheritance tax purposes; changing gift tax rates and credits for certain donees; changing interest rates on certain gift tax refunds; altering classification of alcoholic beverages for tax purposes; eliminating inheritance tax receipts; repealing the deduction for alimony; altering the method of computing metropolitan council tax levies; amending Minnesota Statutes 1976, Sections 270.12, Subdivision 3; 290.09, Subdivision 22; 290.37, Subdivision 3; 290.39, Subdivision 2, and by adding a subdivision; 290.92, by adding a subdivision; 290A.04, Subdivision 1; 291.05; 292.07, Subdivisions 3 and 5; 292.125; 340.47, Subdivision 1; 473.249, Subdivisions 1 and 2; and Minnesota Statutes, 1977 Supplement, Sections 290.09, Subdivision 29; 290.21, Subdivision 3; 290A.04, Subdivision 2b; 340.47, Subdivision 1a; repealing Minnesota Statutes 1976, Section 291.13, Subdivision 2; and Minnesota Statutes, 1977 Supplement, Section 290.09, Subdivision 14.

House File No. 1915 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives
Transmitted March 22, 1978

CONFERENCE COMMITTEE REPORT ON H. F. NO. 1915

A bill for an act relating to taxation; providing that all orders relating to valuation of property for ad valorem taxes be issued on or before November 15; authorizing the commissioner of revenue to provide new income tax tables; defining the deduction for tuition and transportation expense in computing income tax; providing a seven year carryforward for farm losses; limiting the deduction for charitable contributions; authorizing the commissioner to require a copy of computations used to compute federal income tax; allowing spouses to file combined returns even if one is a nonresident; requiring employers to file a withholding application; providing property tax relief benefits for persons becoming disabled before June 1; defining the acreage eligible for homestead exemption for inheritance tax purposes; changing gift tax rates and credits for certain donees; changing interest rates on certain gift tax refunds; altering classification of alcoholic beverages for

tax purposes; eliminating inheritance tax receipts; repealing the deduction for alimony; altering the method of computing metropolitan council tax levies; amending Minnesota Statutes 1976, Sections 270.12, Subdivision 3; 290.09, Subdivision 22; 290.37, Subdivision 3; 290.39, Subdivision 2, and by adding a subdivision; 290.92, by adding a subdivision; 290A.04, Subdivision 1; 291.05; 292.07, Subdivisions 3 and 5; 292.125; 340.47, Subdivision 1; 473.249, Subdivisions 1 and 2; and Minnesota Statutes, 1977 Supplement, Sections 290.09, Subdivision 29; 290.21, Subdivision 3; 290A.04, Subdivision 2b; 340.47, Subdivision 1a; repealing Minnesota Statutes 1976, Section 291.13, Subdivision 2; and Minnesota Statutes, 1977 Supplement, Section 290.09, Subdivision 14.

March 21, 1978

The Honorable Martin O. Sabo
Speaker of the House of Representatives

The Honorable Edward J. Gearty
President of the Senate

We, the undersigned conferees for H. F. No. 1915, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H. F. No. 1915 be amended as follows:

Delete page 4, line 3 to page 6, line 4 and insert:

"Sec. 4. Minnesota Statutes 1976, Chapter 272, is amended by adding a section to read:

[272.70] [AVAILABILITY OF ASSESSORS' FIELD CARDS.]
Upon request of the owner of a homestead, the assessor shall furnish the owner with a copy of the field card relating to the most recent appraisal of the property. The assessor may charge the owner a fee to meet the cost of furnishing the copy of the field card."

Page 11, line 3 delete "*before the employer pays*"

Page 11, line 4 delete "*wages from which taxes are required to be withheld*" and insert "*on or before the due date of the first payment required to be made*"

Page 11, line 5 delete "*subdivisions 2a and 3*" and insert "*subdivision 6*"

Page 22, line 23 delete "*4, 5,*"

Page 22, line 24 after the period insert "*Section 5 is effective for taxable years beginning after December 31, 1978.*"

Page 22, line 25 after the period insert: "*Section 9 is effective for claims based on property taxes payable in 1976 and subsequent years and rent paid in 1975 and subsequent years. A claimant who would qualify for a credit pursuant to the provisions of section 9 which is greater than that which he has received pursuant to*

Minnesota Statutes 1976, Section 290A.04, Subdivision 1, may file with the department of revenue a claim for an additional refund in the amount of the excess. Claims made pursuant to this provision shall not be subject to the penalties provided in Minnesota Statutes, Section 290A.06, if filed before December 31, 1978."

Page 22, line 25 delete "Sections 9 and 10 are" and insert "Section 10 is"

Further amend the title as follows:

Page 1, line 4 after the semicolon insert "requiring assessors to furnish copies of field cards to homeowners;"

Page 1, line 8 delete "providing a seven year carryforward"

Page 1, line 9 delete "for farm losses;"

Page 1, line 32 before "and" insert "and Chapter 272, by adding a section;"

Page 1, line 34 delete "290.09, Subdivision 29;"

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Robert E. Vanasek, James R. Casserly, Robert L. Searles

Senate Conferees: (Signed) A. O. H. Setzepfandt, Marvin B. Hanson, John Bernhagen

Mr. Setzepfandt moved that the foregoing recommendations and Conference Committee Report on H. F. No. 1915 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H. F. No. 1915: A bill for an act relating to taxation; providing that all orders relating to valuation of property for ad valorem taxes be issued on or before November 15; requiring assessors to furnish copies of field cards to homeowners; authorizing the commissioner of revenue to provide new income tax tables; defining the deduction for tuition and transportation expense in computing income tax; limiting the deduction for charitable contributions; authorizing the commissioner to require a copy of computations used to compute federal income tax; allowing spouses to file combined returns even if one is a nonresident; requiring employers to file a withholding application; providing property tax relief benefits for persons becoming disabled before June 1; defining the acreage eligible for homestead exemption for inheritance tax purposes; changing gift tax rates and credits for certain donees; changing interest rates on certain gift tax refunds; altering classification of alcoholic beverages for tax purposes; eliminating inheritance tax receipts; repealing the deduction for alimony; altering the method of computing metropolitan council tax levies; amending Minnesota Statutes 1976, Sections 270.12, Subdivision 3; 290.09, Subdivision 22; 290.37, Subdivision 3; 290.39, Subdivision 2, and by adding a subdivision; 290.92, by adding a subdivision; 290A.04, Subdivision 1;

291.05; 292.07, Subdivisions 3 and 5; 292.125; 340.47, Subdivision 1; 473.249, Subdivisions 1 and 2; and Chapter 272, by adding a section; and Minnesota Statutes, 1977 Supplement, Sections 290.-21, Subdivision 3; 290A.04, Subdivision 2b; 340.47, Subdivision 1a; repealing Minnesota Statutes 1976, Section 291.13, Subdivision 2; and Minnesota Statutes, 1977 Supplement, Section 290.09, Subdivision 14.

Was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 54 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Gearty	Lessard	Purfeerst	Staples
Ashbach	Gunderson	Lewis	Renneke	Stokowski
Bang	Hughes	Luther	Schaaf	Strand
Benedict	Jensen	Moe	Schmitz	Stumpf
Bernhagen	Johnson	Nelson	Schrom	Tennessen
Borden	Keefe, J.	Nichols	Setzepfandt	Ueland, A.
Brataas	Keefe, S.	Ogdahl	Sieloff	Ulland, J.
Chmielewski	Kleinbaum	Olhoff	Sikorski	Vega
Coleman	Knaak	Olson	Sillers	Wegener
Dunn	Knutsen	Penny	Solon	Willet
Engler	Laufenburger	Peterson	Spear	

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

MESSAGES FROM THE HOUSE—CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 2124 and repassed said bill in accordance with the report of the Committee, so adopted.

H. F. No. 2124: A bill for an act relating to corrections; providing for the licensing of correctional facilities; prohibiting the introduction of contraband or weapons into correctional facilities; providing penalties; amending Minnesota Statutes 1976, Sections 241.021, Subdivision 1; 260.185, Subdivision 1; 641.09; 641.165; and 641.18.

House File No. 2124 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 22, 1978

CONFERENCE COMMITTEE REPORT ON H. F. NO. 2124

A bill for an act relating to corrections; providing for the licensing of correctional facilities; prohibiting the introduction of contraband or weapons into correctional facilities; providing penalties;

amending Minnesota Statutes 1976, Sections 241.021, Subdivision 1; 260.185, Subdivision 1; 641.09; 641.165; and 641.18.

March 20, 1978

The Honorable Martin O. Sabo
Speaker of the House of Representatives

The Honorable Edward J. Gearty
President of the Senate

We, the undersigned conferees for H. F. No. 2124, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H. F. No. 2124 be amended as follows:

Strike everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1976, Section 241.021, Subdivision 1, is amended to read:

241.021 [LICENSING AND SUPERVISION OF INSTITUTIONS AND FACILITIES.] Subdivision 1. [SUPERVISION OVER CORRECTIONAL INSTITUTIONS; ADVISORY TASK FORCE.] (1) The commissioner of corrections shall inspect and license all correctional facilities throughout the state, whether public or private, established and operated for the detention and confinement of persons detained or confined therein according to law except to the extent that they are inspected or licensed by other state regulating agencies. He shall promulgate, by January 1, 1977, pursuant to chapter 15, rules establishing minimum standards for these facilities with respect to their management, operation, physical condition, and the security, safety, health, treatment and discipline of persons detained or confined therein. Commencing September 1, 1980, no individual, corporation, partnership, voluntary association or other private organization legally responsible for the operation of a correctional facility may operate the facility unless licensed by the commissioner of corrections. The commissioner may provide by rule for provisional licenses which authorize the operation of a correctional facility on a temporary basis where the operator is temporarily unable to comply with all of the requirements for a license. Notwithstanding the provisions of sections 15.0412 and 15.0413, these rules setting standards for group homes established under the direction of the juvenile courts shall not take effect until June 15, 1977. To assist in the development of standards for jails and lockups the commissioner shall pursuant to section 15.050, subdivision 6, appoint a citizens advisory task force of nine persons, including five persons who have been elected to the office of county sheriff and four persons who have been elected to the office of county board of commissioners September 1, 1979. The commissioner shall have access to the buildings, grounds, books, records, staff and to persons detained or confined in these facilities. He may require the officers in charge

of these facilities to furnish all information and statistics he deems necessary, upon forms furnished by him.

(2) Any state agency which regulates, inspects, or licenses certain aspects of correctional facilities shall, insofar as is possible, ensure that the minimum standards it requires are substantially the same as those required by other state agencies which regulate, inspect, or license the same aspects of similar types of correctional facilities, although at different correctional facilities.

(3) Nothing in this section shall be construed to limit the commissioner of corrections' authority to promulgate rules establishing standards of eligibility for counties to receive funds under sections 401.01 to 401.16, or to require counties to comply with operating standards the commissioner establishes as a condition precedent for counties to receive that funding.

(4) When the commissioner finds that any facility described in clause (1) of this subdivision, except foster care facilities for delinquent children and youth as provided in subdivision 2, does not conform to the minimum standards established by law or by the commissioner, he shall promptly notify the chief executive officer and the governing board of the facility of the deficiencies and order that they be remedied within a reasonable period of time. The commissioner may by written order restrict the use of any facility which does not substantially conform to minimum standards to prohibit the detention of any person therein for more than 72 hours at one time. *When, after due notice and hearing, the commissioner finds that any facility described in this subdivision, except county jails and lockups as provided in sections 641.26, 642.10, and 642.11, does not conform to minimum standards, or is not making satisfactory progress toward substantial compliance therewith, he may issue his order revoking the license of that facility. After revocation of its license, that facility shall not be used until its license is renewed.* When the commissioner is satisfied that satisfactory progress towards substantial compliance with minimum standard is being made, he may, at the request of the appropriate officials of the affected facility supported by a written schedule for compliance, grant an extension of time for a period not to exceed one year.

(5) *As used in this subdivision, "correctional facility" means any facility, including a group home, having a residential component, the primary purpose of which is to serve persons placed therein by a court, court services department, parole authority, or other correctional agency having dispositional power over persons charged with, convicted or adjudicated to be guilty or delinquent.*

Sec. 2. Minnesota Statutes 1976, Section 260.185, Subdivision 1, is amended to read:

260.185 [DISPOSITIONS; DELINQUENT CHILD.] Subdivision 1. If the court finds that the child is delinquent, it shall enter an order making any of the following dispositions of the case which are deemed necessary to the rehabilitation of the child:

(a) Counsel the child or his parents, guardian, or custodian;

(b) Place the child under the supervision of a probation officer or other suitable person in his own home under conditions prescribed by the court including reasonable rules for his conduct and the conduct of his parents, guardian, or custodian, designed for the physical, mental, and moral well-being and behavior of the child, or with the consent of the commissioner of corrections, in a group foster care facility which is under the management and supervision of said commissioner;

(c) Subject to the supervision of the court, transfer legal custody of the child to one of the following:

(1) A child placing agency; or

(2) The county welfare board; or

(3) A reputable individual of good moral character. *No person may receive custody of two or more unrelated children unless he is licensed as a residential facility pursuant to sections 245.781 to 245.813 ; or*

(4) Except for children found to be delinquent as defined in section 260.015, subdivision 5, clauses (c) and (d), unless the child has previously appeared before a juvenile court on the same charge, and in the judgment of the court, community resources have been exhausted, a county home school, if the county maintains a home school or enters into an agreement with a county home school; or

(5) A county probation officer for placement in a group foster home established under the direction of the juvenile court in accordance with standards established by the commissioner of corrections and licensed pursuant to section 241.021 ;

(d) Except for children found to be delinquent as defined in section 260.015, subdivision 5, clauses (c) and (d), unless the child has previously appeared before a juvenile court on the same charge, and in the judgment of the court, community resources have been exhausted, transfer legal custody by commitment to the commissioner of corrections;

(e) If the child is found to have violated a state or local law or ordinance which has resulted in damage to the property of another, the court may order the child to make reasonable restitution for such damage;

(f) If the child is in need of special treatment and care for his physical or mental health, the court may order the child's parent, guardian, or custodian to provide it. If the parent, guardian, or custodian fails to provide this treatment or care, the court may order it provided.

(g) If the court believes that it is in the best interests of the child and of public safety that the driver's license of the child be cancelled until his eighteenth birthday, the court may recommend to the commissioner of transportation the cancellation of the child's license for any period up to the child's eighteenth birthday, and the commissioner is hereby authorized to cancel such license

without a hearing. At any time before the termination of the period of cancellation, the court may, for good cause, recommend to the commissioner of transportation that the child be authorized to apply for a new license, and the commissioner may so authorize.

Any order for a disposition authorized under this section shall contain written findings of fact to support the disposition ordered, and shall also set forth in writing the following information:

(a) Why the best interests of the child are served by the disposition ordered; and

(b) What alternative dispositions were considered by the court and why such dispositions were not appropriated in the instant case.

Sec. 3. Minnesota Statutes 1976, Section 641.09, is amended to read:

641.09 [POWER OF OFFICERS.] The officer in charge of prisoners so sentenced to labor may use all reasonable means necessary to prevent escape or enforce obedience. For refusal to labor or obey necessary orders in reference thereto, a prisoner may be kept in solitary confinement on bread and water, unless other food is required for the preservation of health, but shall not be so confined more than ten days for any one offense, nor more than 90 days in all. Such punishment shall not be treated as any part of the sentence.

Sec. 4. Minnesota Statutes 1976, Section 641.165, is amended to read:

641.165 [CONTRABAND ARTICLES FORBIDDEN; PENALTY.] Any person who, in any manner, causes the introduction into a jail, lockup or other place of confinement, or upon the grounds thereof, of any controlled substance as defined in section 152.01, subdivision 4, or any intoxicating or alcoholic liquor, or malt beverage, regardless of alcoholic content, or any weapon or explosive without the consent of the person in charge of the jail, lockup or place of confinement shall be guilty of a gross misdemeanor. Subdivision 1. [DEFINITION.] "Contraband" is any controlled substance as defined in section 152.01, subdivision 4, or any intoxicating or alcoholic liquor or malt beverage.

Subd. 2. [ACTS PROHIBITED.] (a) Whoever introduces or in any manner causes the introduction of contraband, as defined in subdivision 1, into any jail, lockup, or correctional facility, as defined in section 1 of this act, without the consent of the person in charge, is guilty of a gross misdemeanor.

(b) Whoever introduces or in any manner causes the introduction of a dangerous weapon, as defined in section 609.02, subdivision 6, into any jail, lockup, or correctional facility, as defined in section 1 of this act, without the consent of the person in charge, is guilty of a felony and, upon conviction, may be sentenced to imprisonment for not more than five years.

Subd. 3. The provisions of this section shall not apply to physi-

cians carrying drugs into such institutions for use in the practice of their profession, nor to peace officers carrying revolvers or firearms in the discharge of their duties.

Sec. 5. Minnesota Statutes 1976, Section 641.18, is amended to read:

641.18 [SOLITARY CONFINEMENT.] When any prisoner is unruly or disobeys any regulation for the management of jails, the sheriff or jailer may order him kept in solitary confinement ~~on bread and water for not more than 20 days for each offense as provided in section 641.09.~~

Sec. 6. The commissioner shall appoint an advisory task force, to serve for a period of three years after the effective date of this act, consisting of at least nine persons and including representation from the judiciary serving the juvenile court, county probation officers, and county board members to assist in the development of standards for the correctional facilities defined in section 241.021, subdivision 1 (5), including group foster homes established under the direction of the juvenile court. The provisions of section 15.059, subdivision 6, shall govern the terms, compensation and removal of the members of the advisory task force.

Sec. 7. Section 2 of this act is effective September 1, 1979. Section 6 shall expire August 1, 1981."

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Mike Jaros, Ken G. Nelson, Gilbert D. Esau

Senate Conferees: (Signed) B. Robert Lewis, Conrad M. Vega, William G. Kirchner

Mr. Lewis moved that the foregoing recommendations and Conference Committee Report on H. F. No. 2124 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H. F. No. 2124: A bill for an act relating to corrections; providing for the licensing of correctional facilities; prohibiting the introduction of contraband or weapons into correctional facilities; providing penalties; amending Minnesota Statutes 1976, Sections 241.021, Subdivision 1; 260.185, Subdivision 1; 641.09; 641.165; and 641.18.

Was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 53 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Gunderson	Lewis	Renneke	Stokowski
Ashbach	Hughes	Luther	Schaaf	Strand
Bang	Jensen	Moe	Schmitz	Stumpf
Benedict	Johnson	Nelson	Schrom	Tennessen
Bernhagen	Keefe, J.	Nichols	Setzepfandt	Ueland, A.
Brataas	Keefe, S.	Ogdahl	Sieloff	Ulland, J.
Chmielewski	Kleinbaum	Olhoff	Sikorski	Vega
Coleman	Knaak	Olson	Sillers	Wegener
Dunn	Knutson	Penny	Solon	Willet
Engler	Laufenburger	Peterson	Spear	
Gearty	Lessard	Purfeerst	Staples	

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

APPOINTMENTS

Mr. Coleman from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

H. F. No. 338: Messrs. Tennessen, Sieloff and Spear.

H. F. No. 649: Messrs. Solon, Olson and Vega.

H. F. No. 1916: Messrs. McCutcheon, Anderson and Peterson.

H. F. No. 1734: Messrs. Tennessen, Spear and Mrs. Staples.

H. F. No. 669: Messrs. Purfeerst, Peterson and Bernhagen.

Mr. Coleman moved that the foregoing appointments be approved. The motion prevailed.

MOTIONS AND RESOLUTIONS

Mr. Olson moved that S. F. No. 774 be taken from the table. The motion prevailed.

S. F. No. 774: A bill for an act relating to intoxicating liquor; permitting entertainment and coin-operated amusement devices in privately-owned and municipal liquor stores; amending Minnesota Statutes 1976, Sections 340.07, Subdivision 13; and 340.353, Subdivision 1.

Mr. Olson moved that S. F. No. 774 be forwarded to the Governor. The motion prevailed.

Mr. Coleman moved that House Concurrent Resolution No. 10 be taken from the table. The motion prevailed.

House Concurrent Resolution No. 10: A house concurrent resolution relating to the delivery of bills to the governor after final adjournment.

BE IT RESOLVED, by the House of Representatives, the Senate concurring, that on adjournment sine die of the 70th regular session of the Legislature, bills shall be presented to the Governor in conformity with the provisions of this resolution and as follows:

(a) That the Speaker of the House of Representatives, the Chief Clerk of the House of Representatives, the President of the Senate, and the Secretary of the Senate shall certify and sign each bill in the same manner and upon the same certification as each bill is signed for presentation to the Governor prior to adjournment sine die, and each of those officers shall continue in his designated capacity during the three days following the date of final adjournment;

(b) That the Chief Clerk of the House of Representatives and the Secretary of the Senate in accordance with the rules of the respective bodies and under the supervision and direction of the standing Committee on Rules and Legislative Administration and the standing Committee on Rules and Administration shall carefully engross and enroll each bill and make delivery thereof to the Governor in the same manner as each bill is engrossed and enrolled and delivered to the Governor prior to the adjournment of the Legislature sine die;

(c) That the Revisor of Statutes shall continue to assist in all of the functions relating to the engrossment and enrollment of bills of the House of Representatives and of the Senate under the supervision of the Chief Clerk of the House of Representatives and the Secretary of the Senate in the same manner that his assistance was rendered prior to the adjournment of the Legislature sine die;

(d) That this concurrent resolution is enacted in accordance with the requirements of the Constitution, Article IV, Section 23; and

BE IT FURTHER RESOLVED, that the Chief Clerk of the House of Representatives deliver a copy of this Resolution to the Governor, and the Secretary of State.

Mr. Coleman moved the adoption of the foregoing resolution. The motion prevailed. So the resolution was adopted.

S. F. No. 620 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S. F. NO. 620

A bill for an act relating to sheriffs; salaries, fees and budgets; providing that the salary and budget of the sheriff shall be set by the county board in each county of the state; authorizing costs and reasonable attorney fees on appeal; amending Minnesota Statutes 1976, Section 387.20, Subdivisions 1, 2 and 7; repealing Minnesota Statutes 1976, Section 387.20, Subdivision 8.

March 21, 1978

The Honorable Edward J. Gearty
President of the Senate

The Honorable Martin O. Sabo
Speaker of the House of Representatives

We, the undersigned conferees for S. F. No. 620, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments.

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) Florian Chmielewski, Robert J. Schmitz, Howard A. Knutson.

House Conferees: (Signed) John T. Clawson, Gordon O. Voss, O. J. Heinitz.

Mr. Chmielewski moved that the foregoing recommendations and Conference Committee Report on S. F. No. 620 be now adopted, and the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S. F. No. 620: A bill for an act relating to sheriffs; salaries, fees and budgets; providing that the salary and budget of the sheriff shall be set by the county board in each county of the state; authorizing costs and reasonable attorney fees on appeal; amending Minnesota Statutes 1976, Section 387.20, Subdivisions 1, 2 and 7; repealing Minnesota Statutes 1976, Section 387.20, Subdivision 8.

Was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 53 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Gunderson	Lessard	Peterson	Stokowski
Ashbach	Hughes	Lewis	Purfeerst	Strand
Bang	Jensen	Luther	Renneke	Stumpf
Benedict	Johnson	Menning	Schmitz	Tennessen
Bernhagen	Keefe, J.	Moe	Schrom	Ueland, A.
Brataas	Keefe, S.	Nelson	Setzepfandt	Ulland, J.
Chmielewski	Kleinbaum	Nichols	Sieloff	Vega
Coleman	Knaak	Ogdahl	Sikorski	Wegener
Dunn	Knoll	Olhoff	Sillers	Willet
Engler	Knutson	Olson	Solon	
Gearty	Laufenburger	Penny	Spear	

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

MOTIONS AND RESOLUTIONS—CONTINUED

S. F. No. 744 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S. F. NO. 744

A bill for an act relating to elections; defining member of a political party; altering various provisions relating to publication

of constitutional amendment explanation, ballots, judges, summary statements, canvasses and returns; amending Minnesota Statutes 1976, Chapter 204A, by adding a section; and Sections 3.21; 200.02, by adding a subdivision; 204A.18, Subdivision 1; 204A.32, Subdivision 4; 204A.42, Subdivision 1; 204A.45, Subdivision 1; 204A.46, Subdivisions 1, 2, 3 and 4; 204A.47; and 204A.51, Subdivisions 2 and 3; repealing Minnesota Statutes 1976, Sections 204A.45, Subdivision 2; and 204A.48.

March 22, 1978

The Honorable Edward J. Gearty
President of the Senate

The Honorable Martin O. Sabo
Speaker of the House of Representatives

We, the undersigned conferees for S. F. No. 744, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and S. F. No. 744 be amended as follows:

Strike everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1976, Section 3.21, is amended to read:

3.21 [NOTICE.] At least four months preceding such the election, the attorney general shall furnish to the secretary of state a statement of the purpose and effect of all amendments proposed showing clearly the form of the existing sections, and of the same as they will read if amended, except that when any section to which an amendment is proposed exceeds 150 words in length, the statement shall show that part of the section in which a change is proposed, both in its existing form and as it will read when amended, together with such portions of the context as the attorney general deems necessary to an understanding of the proposed amendment. In the month of October prior to the election, the secretary of state shall give two weeks published notice of such the statement in all legal newspapers of the state. The secretary of state shall furnish such the statement to such the newspapers in plate, mat, or reproduction black and white paper form from reproducible form approved by the secretary of state, set in seven-and-one-half-point type on an eight-point elugs body. The maximum rate for such publication shall be 16 cents per standard line for the two publications. If any newspaper shall refuse the publication of the amendments, this refusal and failure of the publication shall have no effect on the validity of the amendments. The secretary of state shall also forward to each county auditor copies of such the statement, in poster form, in quantities sufficient to supply each election district of his county with two copies thereof. The auditor shall cause two copies to be conspicuously posted at or near each polling place on election day. Wilful or negligent failure by any official named to perform any duty imposed upon him by this section shall be deemed a misdemeanor.

Sec. 2. Minnesota Statutes 1976, Section 200.02, is amended by adding a subdivision to read:

Subd. 27. [POLITICAL PARTY MEMBER.] The words "member of a political party" mean a person who: (a) supports the general principles of a political party as stated in that party's constitution, (b) voted for a majority of that party's candidates in the last general election, or (c) intends to vote for a majority of a party's candidates in the next general election.

Sec. 3. Minnesota Statutes 1976, Section 204A.18, Subdivision 1, is amended to read:

204A.18 [ELECTION JUDGES, ELIGIBILITY.] Subdivision 1. [PARTY BALANCE.] No more than half of the number of judges in any precinct may be members of the same political party, except where the election board consists of an odd number of judges in a precinct, the number of judges belonging to one who are members of the same political party may be one more than half the number of judges belonging to the other political party in that precinct.

Sec. 4. Minnesota Statutes 1976, Section 202A.22, Subdivision 1, is amended to read:

202A.22 [AFFIDAVIT OF CANDIDACY.] Subdivision 1. [FILING, DATE.] Not more than 70 nor less than 56 days before the primary election any eligible person who desires to have his name placed on the primary ballot as a candidate for any elective office to be filled at the general election, except presidential electors, shall file his affidavit with the secretary of state when to be voted for in more than one county, and with the county auditor when to be voted for in a single county stating the following:

(a) That he is a qualified voter in the subdivision where he seeks nomination;

(b) The name of his political party if for a partisan office;

(c) The office for which he desires to be a candidate;

(d) That he has not filed as a candidate for any other office at the same primary election;

(e) That he is, or will be on assuming the office, 21 years of age or more, and that he will have been for 30 days previous to the general election a resident in the district from which he seeks election;

(f) If filing to be a United States senator, that on the next January 3 he will be 30 years of age or more and nine years a citizen of the United States;

(g) If filing to be a United States representative, that on the next January 3, or in the case of an election to fill a vacancy within 21 days after the election, he will be 25 years of age or more and seven years a citizen of the United States;

(h) If filing to be governor or lieutenant governor, that on the first Monday of the next January he will be 25 years of age or

more and on general election day he will have been a resident of Minnesota for one year;

(i) If filing to be a supreme court justice or a district court judge that he is learned in the law;

(j) If filing to be a probate judge, county clerk judge, municipal judge or other judicial officer that he is qualified as prescribed by law;

(k) If filing to be a senator or representative in the legislature, that on election day he will have resided in the state for not less than one year and in the legislative district from which he seeks election for not less than six months;

(l) If for a partisan office, that he ~~affiliated with~~ *participated in* his political party at the last general election, and either that he ~~did not vote thereat or voted for a majority of the candidates of the political party at the election, and party's most recent caucus in an election precinct or intends to so vote for a majority of his political party's candidates at the ensuing election.~~

(m) If filing for a partisan office as an "Independent" or in any manner indicating he is unaffiliated with a political party as defined in section 10A.01, subdivision 17, that he did not seek, does not intend to seek and will not accept any party's support for his candidacy in that election.

Sec. 5. Minnesota Statutes, 1977 Supplement, Section 204A.06, Subdivision 1, is amended to read:

204A.06 [ELECTION PRECINCTS.] Subdivision 1. [BOUNDARIES.] Each town, each statutory city that is separated from the town for election purposes, and each city ward, shall constitute at least one election precinct. The council of each municipality shall prescribe the boundaries of the precincts and the number of voters therein, and may rearrange the precincts from time to time, except that no changes in precinct boundaries may be made during the period beginning January 1 in any year ending in seven and ending January 1 in any year ending in two. If during the period beginning January 1 of a year ending in seven and ending January 1 of a year ending in two a municipality annexes an unincorporated area located in the same county as the municipality and adjacent to the corporate boundary, the annexed area may be included in the precinct immediately adjacent to it. *During the period beginning January 1 in a year ending in seven and ending January 1 in a year ending in two, a municipality may establish new precincts lying entirely within any existing precinct for which the boundaries were established before that period; provided that: (a) the outer boundaries of the existing precinct are not altered and (b) the new precincts established within the existing precinct are assigned names that include the name of the existing precinct.*

Sec. 6. Minnesota Statutes 1976, Chapter 204A, is amended by adding a section to read:

[204A.295] [VOTING, NO REGISTRATION.] Subdivision 1. [EVIDENCE OF QUALIFICATION TO VOTE.] *Except where*

voters are registered under a permanent registration system, any person desiring to vote at any election shall satisfy the election board by proper and sufficient evidence that he is qualified to vote at the election in the precinct, and by stating under oath, that he is at least 18 years of age and has been a resident of the state for at least 20 days.

Subd. 2. [VOTING, EXAMINATION.] Any person desiring to vote shall truly state, when he is asked, his first and last name and middle initial, his street or route, city and county address and the address of most recent prior registration. Upon refusal to make such statements, he shall not be allowed to vote.

Subd. 3. [ELECTION REGISTERS, FORM.] Two election registers shall be provided by the county auditor or the clerk of the municipality, as the case may be, for each precinct. The election registers shall be kept and maintained in duplicate, and two judges shall have charge of them, each using one as provided in this section. Every election register shall be headed by the designation of the precinct, shall contain one column headed "Name of Voter," one headed "Residence," one headed "Address of Most Recent Prior Registration" and one headed "Remarks," and shall contain the names of the voters in separate groups, in alphabetical order according to the first letter of the surnames, each letter of the alphabet to form one group, with not more than one group on any one page, and each group to be separately numbered commencing with the numeral "1."

Subd. 4. [VOTING, ELECTION REGISTER, USE.] Having satisfied the judges of his qualifications, the voter's name, residence and address of most recent prior registration shall be entered in the proper place in the election registers, and the other judges shall have charge of and hand to and receive from each voter the ballots.

Sec. 7. Minnesota Statutes 1976, Section 204A.32, Subdivision 4, is amended to read:

Subd. 4. [CHALLENGE OF VOTER; DISPOSITION OF BALLOTS.] The voter and the ballots of any absent voter At any time before the ballots have been of any voter are deposited in the ballots boxes are subject to a challenge by , the judges or by any person who was not present at the time the voter procured the ballots, but not otherwise , may challenge the qualifications of that voter and the deposit of any received absentee ballots in the ballot boxes . The question judges shall be determined determine the qualifications of any voter who is present in the polling place in the same manner as is provided for the challenge of voters in section 204A.39 , and if the voter or the ballots of any absent voter are is found to be disqualified, shall place the ballots so prepared shall be placed of that voter unopened among the spoiled ballots. The judges shall determine whether to receive or reject the ballots of an absent voter and whether to deposit received absentee ballots in the ballot boxes in the manner provided in sections 207.11,

207.24 and 207.25, and shall dispose of any absentee ballots not received or deposited in the manner provided in section 207.11.

Sec. 8. Minnesota Statutes 1976, Section 204A.42, Subdivision 1, is amended to read:

204A.42 [COUNTING BALLOTS.] Subdivision 1. [METHOD.] The judges shall take all the ballots of the same kind and count the votes cast for the first office or proposition on the ballot by separating the ballots into piles, one pile for each candidate who received votes for that office, or one pile for the "Yes" votes and one pile for the "No" votes if it is a proposition. The judges also shall pile the ballots that are blank or defective as to that office separately. After the separation into piles, the judges shall examine each pile and remove therefrom and place in the proper pile any ballots that are found to be in the wrong pile. After the examination, the judges shall count the ballots in each pile, and when their counts agree, they shall announce the number of ballots in each pile, and the number shall be written in the proper place on the tally books *summary statements*. The judges may also pile ballots crosswise in groups of 25 in the same pile so as to facilitate counting.

Sec. 9. Minnesota Statutes 1976, Section 204A.45, Subdivision 1, is amended to read:

204A.45 [BALLOTS, DISPOSITION.] Subdivision 1. [ENVELOPES.] Except in cities of the first class and in counties having a population of 200,000 or more, After the canvass has been completed and in the presence of all the judges, the ballots cast shall be removed from the ballot boxes and placed in envelopes and sealed. Each judge shall write his name upon the envelope over the sealed part in such a way that the envelope cannot be opened without disturbing the continuity of the lines in the writing. The envelopes shall be of a heavy paper, of the same color as the ballots to be placed therein, and of a size suitable to hold all the ballots without folding. The official charged with printing the ballots shall furnish the envelopes required in this section; provided, however, that the official charged with printing the state pink ballot shall furnish the envelopes for the state pink ballot and the state white ballot. The number of ballots in each envelope, the kind thereof, the name of the town or city, and the number of the precinct shall be plainly written upon the envelopes. The unused and spoiled ballots or returns may not be placed in the envelopes.

Sec. 10. Minnesota Statutes 1976, Section 204A.46, Subdivision 1, is amended to read:

204A.46 [RETURNS OF ELECTION, SUMMARY STATEMENTS.] Subdivision 1. [SUMMARY STATEMENTS.] Except where voting machines are used, the Each official charged with printing the ballots shall furnish two tally books with three or more forms for summary statements of the returns for each precinct at the same time and in the same manner as the ballots are furnished; provided, however, that the official charged with printing the state white ballot shall furnish the tally book with as a separate part of

the form for the summary statement of the returns of the white ballot a form for the summary statement of the returns for the state pink ballot.

Sec. 11. Minnesota Statutes 1976, Section 204A.46, Subdivision 2, is amended to read:

Subd. 2. [SUMMARY STATEMENT, INFORMATION REQUIRED.] *The judges shall fill out the tally book and returns in duplicate, and in suitable spaces provided therefor they shall disclose complete three or more summary statements which shall include the following information:*

(a) *State of Minnesota, Tally Book and Summary Statement of the Returns for (Color) Ballots, (number) Precinct, (number) Ward, of the (City) (Town) of (Name) and the date and kind of election;*

(b) *The office or question, name of candidates, the number of votes each candidate received or the number of yes and no votes on each question, and the number of blank and defective ballots for each office or question;*

(c) *The number of persons who voted at the election in the precinct, and where there is permanent registration the number of registered voters persons registered at the time the polling place opened and the number of persons registering on election day in the precinct, the total number of ballots actually counted, the number of totally defective ballots, and the number of persons who returned spoiled ballots and received other ballots;*

(d) *A certificate in substantially the following form: "We, the undersigned judges of the (number) Precinct, (number) Ward, of the (City) (Town) of (Name), Minnesota, do hereby certify that all of the ballots cast at the (date and kind of election) Election, were carefully and properly piled, checked, and counted, and that the number of votes marked opposite the respective names of the candidates, correctly shows the number of votes so cast. The national flag was displayed on a suitable staff during all the hours of voting." The certificate shall be signed by all members of the election board.*

Sec. 12. Minnesota Statutes 1976, Section 204A.46, Subdivision 3, is amended to read:

Subd. 3. [SUMMARY STATEMENT AND RETURNS, PRIMARY ELECTION.] *The tally book and summary statement of the returns for the primary election shall be in the same form as the tally book and summary statement of the returns for the general election except that a separate tally book and returns part of the summary statement shall be provided for each the political party ballot and a separate part for the ballot of candidates to be nominated without party designation. The primary tally book and returns summary statement shall be headed substantially as follows: "Tally Book and Summary Statement of the Returns for (Name) Party, (number) Precinct, (number) Ward, of the (City) (Town) of (Name), Primary Election held (Date)."*

Sec. 13. Minnesota Statutes 1976, Section 204A.46, Subdivision 4, is amended to read:

Subd. 4. [SUMMARY STATEMENT AND RETURNS, FORM.] The secretary of state shall prescribe the form for the tally book and *summary statement of the returns*, and he may place thereon instructions for their use and such other matter that is authorized by law to be printed on *tally books and summary statements of the returns*. Any other official charged with furnishing *tally books and returns summary statements* shall prepare them in the manner prescribed by the secretary of state, so far as practicable.

Sec. 14. Minnesota Statutes 1976, Section 204A.47, is amended to read:

204A.47 [SUMMARY STATEMENT OF THE RETURNS, DISPOSITION.] Subdivision 1. [ENVELOPE.] The judges in each precinct shall include ~~one a set of the tally book and one of each of the completed summary statements of the returns in each of two three separate envelopes ; and .~~ Each envelope shall then be sewed wrapped by drawing a substantial twine string twice through around it and the tally book and returns therein a substantial twine string and by tying . The ends of the string ~~shall be tied together and then sealing the envelope sealed in three places with wax and stamp furnished by the county auditor, one of the places to be over the knot in the string.~~ The judges shall then endorse the envelope in substantially the following form: "Tally book and *Summary statements of the returns of the election precinct, (Town) or (City) of , in the County of , State of Minnesota.*"

Subd. 2. [RETURNS AND MATERIALS, DELIVERY.] ~~Except in first class cities One or more of the judges in each precinct shall deliver one set of the tally book and returns two sets of summary statements in separate sealed envelopes , all unused and spoiled white, pink, and canary ballots, one summary statement, two one election registers register in counties where there is no permanent voter registration system ; and the envelopes containing the white, pink, and canary ballots to the county auditor at his office within 24 hours after the closing of the polls. Another judge One or more judges shall deliver the remaining set of the tally book summary statements and returns, all unused and spoiled municipal ballots, the remaining summary statement, the remaining election register in counties where there is no permanent voter registration system , the envelopes containing municipal ballots and all other things furnished by the municipal clerk, to the municipal clerk at his office within 24 hours after the closing of the polls.~~

Subd. 2a. [DELIVERY TO SECRETARY OF STATE.] *The county auditor shall deliver to the secretary of state one of the sets of summary statements received from each precinct.*

Subd. 2b. [NOTIFICATION OF PRIOR REGISTRATION.] *In counties where there is no permanent voter registration, the*

county auditor shall examine all election registers from each precinct for names of voters who had prior registration at another address. The county auditor shall notify the county auditor of the voter's last registration using the form required by section 201.071, subdivision 4.

Subd. 3. In all first class cities, two of the judges in each precinct shall deliver tally books and returns, the unused and spoiled ballots, the summary statements, and the box containing the ballots to the city clerk at his office within 24 hours after closing of the polls.

Sec. 15. Minnesota Statutes 1976, Section 204A.51, Subdivision 2, is amended to read:

Subd. 2. [COUNTY CANVASS, PRIMARY ELECTION INFORMATION REQUIRED.] The board shall meet at the auditor's office at 10:00 a.m. on or before the third day after the primary election, take the oath of office, and publicly canvass the returns of the election made to the county auditor. The board shall complete the canvass by the evening of the sixth day following the election, and it shall forthwith make the following report and file the same with the county auditor:

(a) A statement for each political party showing the names of all candidates thereof voted for at the primary election, the number of votes received by each, in each precinct and in the county, and for what office;

(b) A statement showing the names of candidates of each political party who are nominated;

(c) A statement of the total number of persons who voted at the election in the county, and in each precinct ; and the number of ballots counted in each precinct, and in the county ;

(d) A statement of the number of persons registering to vote on election day and the number of persons registered prior to election day; and

(e) A statement of the votes received by each of the nonpartisan candidates in each precinct in the county and the names of the nonpartisan candidates nominated. If any candidates receive an equal number of votes for the same nomination, the canvassing board shall determine the tie by lot. Upon completion of the canvass, the county auditor shall forthwith certify to the secretary of state the vote, as shown by the report of the county canvassing board, for all candidates to be voted for in more than one county, and he shall mail or deliver to each nominee who is to be voted for in his county only, a notice of his nomination and that his name will be placed upon the general election ballot.

If the difference between the votes of two or more candidates for legislative office which lies within a single county is 100 or less and the difference determines one or more nominations, the canvassing board shall recount the votes. A recount shall not delay any other part of the report of the board and shall be reported and certified as soon as possible. Time for notice of a contest of

an election which is recounted shall begin to run upon completion of the recount and canvass for that office.

Sec. 16. Minnesota Statutes 1976, Section 204A.51, Subdivision 3, is amended to read:

Subd. 3. [COUNTY CANVASS, GENERAL ELECTION, INFORMATION REQUIRED.] The canvassing board shall meet at the auditor's office on or before the third day after the general election, take the oath of office, and publicly canvass the returns of the general election made to the county auditor. The board shall complete the canvass without unnecessary delay, and it shall forthwith make the following report and file the same with the county auditor:

(a) A statement of the number of persons who voted at the election in each precinct in the county and the total number of persons who voted at the election in the county; and the number of white, pink, and canary ballots counted in each precinct in the county; and the total number of white, pink, and canary ballots counted in the county;

(b) A statement of the number of persons registering to vote on election day and the number of persons registered prior to election day;

(c) A statement of the names of all candidates for state offices, representatives and senators in the legislature, representatives and senators in congress, judges of the district court, and county offices; and the number of votes received by each in each precinct and in the whole county;

(d) A statement of the total number of votes counted for and against any proposed change of county lines or county seat; and

(e) A statement of the number of votes counted for and against any constitutional amendment or other proposition in any precinct, and the total number of votes counted therefor in the county.

If the difference between the votes of the candidates for legislative office which lies within a single county is 100 votes or less the canvassing board shall recount the votes. A recount shall not delay any other part of the report of the board and shall be reported and certified as soon as possible. Time for notice of a contest of an election which is recounted shall begin to run upon completion of the recount and canvass for that office.

In case of a tie, the canvassing board shall determine the results by lot. Upon completion of the canvass, the board shall declare the person receiving the highest number of votes for each county office duly elected thereto; and when the county constitutes or contains a senatorial or representative district in the legislature, it shall declare the person receiving the highest number of votes for each office in the legislature duly elected.

Sec. 17. [REPEALER.] *Minnesota Statutes 1976, Sections 204A.45, Subdivision 2; and 204A.48 are repealed.*

Sec. 18. [EFFECTIVE DATE.] *This act is effective the day following final enactment.*

Further, strike the title and insert:

"A bill for an act relating to elections; defining member of a political party; regulating candidate designations on the ballot; altering various provisions relating to publication of constitutional amendment explanation, ballots, judges, summary statements, canvasses and returns; amending Minnesota Statutes 1976, Chapter 204A, by adding a section; and Sections 3.21; 200.02, by adding a subdivision; 202A.22, Subdivision 1; 204A.18, Subdivision 1; 204A.32, Subdivision 4; 204A.42, Subdivision 1; 204A.45, Subdivision 1; 204A.46, Subdivisions 1, 2, 3 and 4; 204A.47; and 204A.51, Subdivisions 2 and 3; and Minnesota Statutes, 1977 Supplement, Section 204A.06, Subdivision 1; repealing Minnesota Statutes 1976, Sections 204A.45, Subdivision 2; and 204A.48."

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) Eugene E. Stokowski, Neil Dieterich, A. Ueland

House Conferees: (Signed) Arlene I. Lehto, Gerald C. Knickerbocker

Mr. Stokowski moved that the foregoing recommendations and Conference Committee Report on S. F. No. 744 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S. F. No. 744: A bill for an act relating to elections; defining member of a political party; altering various provisions relating to publication of constitutional amendment explanation, ballots, judges, summary statements, canvasses and returns; amending Minnesota Statutes 1976, Chapter 204A, by adding a section; and Sections 3.21; 200.02, by adding a subdivision; 204A.18, Subdivision 1; 204A.32, Subdivision 4; 204A.42, Subdivision 1; 204A.45, Subdivision 1; 204A.46, Subdivisions 1, 2, 3 and 4; 204A.47; and 204A.51, Subdivisions 2 and 3; repealing Minnesota Statutes 1976, Sections 204A.45, Subdivision 2; and 204A.48.

Was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 54 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Engler	Knoll	Olson	Spear
Ashbach	Gearty	Knutson	Penny	Stokowski
Bang	Gunderson	Laufenburger	Peterson	Strand
Benedict	Hughes	Lessard	Purfeerst	Stumpf
Bernhagen	Humphrey	Lewis	Schmitz	Tennessen
Borden	Jensen	Luther	Schrom	Ueland, A.
Brataas	Johnson	Menning	Setzepfandt	Ulland, J.
Chmielewski	Keefe, J.	Moe	Sieloff	Vega
Coleman	Keefe, S.	Nichols	Sikorski	Wegener
Dietrich	Kleinbaum	Ogdahl	Sillers	Willet
Dunn	Knaak	Olhoft	Solon	

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

MOTIONS AND RESOLUTIONS—CONTINUED

S. F. No. 1120 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S. F. NO. 1120

A bill for an act relating to public waters; their classification and drainage; providing for venue of certain actions involving the commissioner of natural resources; amending Minnesota Statutes 1976, Chapter 105, by adding a section.

March 21, 1978

The Honorable Edward J. Gearty
President of the Senate

The Honorable Martin O. Sabo
Speaker of the House of Representatives

We, the undersigned conferees for S. F. No. 1120, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments.

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) Howard D. Olson, Carl A. Jensen, Myrton O. Wegener

House Conferees: (Signed) A. J. Eckstein, Carl M. Johnson, Rod Searle

Mr. Olson moved that the foregoing recommendations and Conference Committee Report on S. F. No. 1120 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S. F. No. 1120: A bill for an act relating to public waters; their classification and drainage; providing for venue of certain actions involving the commissioner of natural resources; amending Minnesota Statutes 1976, Chapter 105, by adding a section.

Was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 53 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Gunderson	Laufenburger	Penny	Solon
Bang	Hughes	Lessard	Peterson	Spear
Benedict	Humphrey	Lewis	Purfeerst	Strand
Bernhagen	Jensen	Luther	Renneke	Stumpf
Brataas	Johnson	McCutcheon	Schaaf	Ueland, A.
Chmielewski	Keefe, J.	Moe	Schmitz	Ulland, J.
Coleman	Keefe, S.	Nelson	Schrom	Vega
Dieterich	Kleinbaum	Nichols	Setzepfandt	Wegener
Dunn	Knaak	Ogdahl	Sieloff	Willet
Engler	Knoll	Olhoff	Sikorski	
Gearty	Knutson	Olson	Sillers	

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

MOTIONS AND RESOLUTIONS—CONTINUED

S. F. No. 1643 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S. F. NO. 1643

A bill for an act relating to agriculture; corn detasseling employees; providing minimum labor standards; amending Minnesota Statutes 1976, Chapter 181, by adding sections.

March 21, 1978

The Honorable Edward J. Gearty
President of the Senate

The Honorable Martin O. Sabo
Speaker of the House of Representatives

We, the undersigned conferees for S. F. No. 1643, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S. F. No. 1643 be amended as follows:

Page 1, between lines 7 and 8 insert a new section to read:

"Section 1. Minnesota Statutes 1976, Section 177.23, Subdivision 7, is amended to read:

Subd. 7. "Employee" means any individual employed by an employer but shall not include

(1) any individual employed in agriculture on a farming unit or operation employing less than the equivalent of two full

time workers and on any given day employing no more than four employees. For the purpose of this clause, equivalent of a full time worker means 40 weeks of employment in a calendar year;

(2) an individual who has not attained the age of 18 who is employed in agriculture on a farm to perform services other than corn detasseling ;

(2a) for purposes of section 177.24, an individual who has not attained the age of 18 who is employed in agriculture as a corn detassler;

(3) any individual employed as a counselor to work with programs and campers in an organized resident or day camp;

(4) any individual employed in a bona fide executive, administrative, or professional capacity, or a salesman who conducts no more than 20 percent of his sales on the premises of the employer, as such terms are defined and delimited by regulations of the department;

(5) any individual who renders service gratuitously for a nonprofit organization as such terms are defined by regulations of the department;

(6) any individual who serves as an elected official for a political subdivision or who serves on any governmental board, commission, committee or other similar body, or who renders service gratuitously for a political subdivision;

(7) any individual employed by a political subdivision to provide police or fire protection services or who is employed by an entity whose principal purpose is to provide police or fire protection services to a political subdivision;

(8) any individual employed by a political subdivision who is ineligible for membership in the public employees retirement association by reason of the provisions of section 353.01, subdivision 2b, clauses (a), (b), (d), and (i);

(9) any driver employed by an employer engaged in the business of operating taxicabs;

(10) any individual engaged in babysitting as a sole practitioner;

(11) any individual employed on a part-time basis in a carnival, circus or fair;

(12) any individual under the age of 18 employed part-time by a municipality as part of a recreational program;

(13) any individual employed by the state as a natural resource manager 1, 2, or 3 (conservation officer);

(14) any individual in a position with respect to which the U. S. Department of Transportation has power to establish qualifications and maximum hours of service pursuant to the provisions of 49 U. S. Code, Section 304."

Renumber the succeeding sections

Page 2, line 5, delete "*requirements*" and insert "*requirement*"

Page 2, line 6, delete the colon

Page 2, delete lines 7 to 10

Page 2, line 11, delete " (2) "

Further, amend the title as follows:

Page 1, line 4, between "1976," and "Chapter" insert "Section 177.23, Subdivision 7; and"

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) Gerry Sikorski, Tom A. Nelson.

House Conferees: (Signed) Michael Sieben, Stanley A. Enebo, Gary W. Laidig.

Mr. Sikorski moved that the foregoing recommendations and Conference Committee Report on S. F. No. 1643 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S. F. No. 1643: A bill for an act relating to agriculture; corn detasseling employees; providing minimum labor standards; amending Minnesota Statutes 1976, Chapter 181, by adding sections.

Was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 51 and nays 1, as follows:

Those who voted in the affirmative were:

Anderson	Hughes	Lessard	Purfeerst	Stokowski
Ashbach	Humphrey	Luther	Renneke	Stumpf
Bang	Jensen	McCutcheon	Schaaf	Tennessen
Bernhagen	Johnson	Menning	Schmitz	Ueland, A.
Chenoweth	Keefe, J.	Moe	Schrom	Ulland, J.
Chmielewski	Keefe, S.	Nelson	Setzepfandt	Vega
Dieterich	Kleinbaum	Nichols	Sieloff	Wegener
Dunn	Knaak	Ogdahl	Sikorski	
Engler	Knoll	Olhoff	Sillers	
Gearty	Knutson	Olson	Solon	
Gunderson	Laufenburger	Penny	Spear	

Mr. Strand voted in the negative.

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

MOTIONS AND RESOLUTIONS—CONTINUED

S. F. No. 1722 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S. F. NO. 1722

A bill for an act relating to education; providing educational aids for children attending nonpublic schools; appropriating money; amending Minnesota Statutes 1976, Sections 120.17, Subdivision 9; 123.931; 123.932, Subdivision 7, and by adding subdivisions; 123.933; 123.935; 123.936; 123.937; 124.212, by adding a subdivision; and Chapter 123, by adding sections; Minnesota Statutes, 1977 Supplement, Sections 124.212, Subdivision 9a; and 124.223; repealing Minnesota Statutes 1976, Sections 123.932, Subdivisions 1, 2, 6 and 8; 123.934; and Laws 1977, Chapter 447, Article VI, Section 12.

March 21, 1978

The Honorable Edward J. Gearty
President of the Senate

The Honorable Martin O. Sabo
Speaker of the House of Representatives

We, the undersigned conferees for S. F. No. 1722, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and S. F. No. 1722 be amended as follows:

Strike everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1976, Section 120.17, Subdivision 9, is amended to read:

Subd. 9. [SPECIAL INSTRUCTION.] After August 15, 1977, No resident of a district who is eligible for special instruction and services pursuant to this section shall be denied provision of this instruction and service on a shared time basis because of attendance at a nonpublic school defined in section 123.932, subdivision 3. Nothing in this subdivision shall be construed to prevent any school district from providing special instruction and services pursuant to section 120.17 on a shared time basis prior to August 15, 1977.

Sec. 2. Minnesota Statutes 1976, Section 123.931, is amended to read:

123.931 [DECLARATION OF POLICY.] It is the intent of the legislature by this enactment to provide for distribution of educational aids such as auxiliary services, instructional materials and equipment textbooks, standardized tests and pupil support services so that every school child pupil in the state will share equitably in education benefits and therefore further assure all Minnesota students pupils and their parents freedom of choice in education.

Sec. 3. Minnesota Statutes 1976, Section 123.932, is amended by adding a subdivision to read:

Subd. 1a. As used in sections 123.931 to 123.937 and section 19

of this act, the terms defined in this section shall have the meanings ascribed to them.

Sec. 4. Minnesota Statutes 1976, Section 123.932, is amended by adding a subdivision to read:

Subd. 1b. "Textbook" means any book, workbook or manual, whether bound or in looseleaf form, which a pupil uses as a text or principal source of study in a particular class or program in the school he regularly attends and a copy of which is expected to be available for the individual use of each pupil in this class or program. The term includes only such secular, neutral and nonideological textbooks as are available and are of benefit to Minnesota public school pupils.

Sec. 5. Minnesota Statutes 1976, Section 123.932, is amended by adding a subdivision to read:

Subd. 1c. "Standardized tests" means standardized tests and scoring services which are provided by commercial publishing organizations and which are in use in the public schools of Minnesota to measure the progress of pupils in secular subjects.

Sec. 6. Minnesota Statutes 1976, Section 123.932, is amended by adding a subdivision to read:

Subd. 1d. "Pupil support services" means guidance and counseling services and health services.

Sec. 7. Minnesota Statutes 1976, Section 123.932, is amended by adding a subdivision to read:

Subd. 2a. "Pupils" means elementary and secondary pupils.

Sec. 8. Minnesota Statutes 1976, Section 123.932, is amended by adding a subdivision to read:

Subd. 2b. "Elementary pupils" means pupils in grades kindergarten through six; provided, each kindergarten pupil shall be counted as one-half pupil for all computations pursuant to sections 123.931 to 123.937.

Sec. 9. Minnesota Statutes 1976, Section 123.932, is amended by adding a subdivision to read:

Subd. 2c. "Secondary pupils" means pupils in grades seven through twelve.

Sec. 10. Minnesota Statutes 1976, Section 123.932, Subdivision 7, is amended to read:

Subd. 7. "Intermediary service area" means a school administrative unit approved by the state board of education, other than a single school district, such as including but not limited to the following: (a) a regional educational service area an educational cooperative service unit; (b) a cooperative of two or more school districts; (c) learning centers; or (d) an association of schools or school districts.

Sec. 11. Minnesota Statutes 1976, Section 123.932, is amended by adding a subdivision to read:

Subd. 9. "Neutral site" means a public center, a mobile unit located off the nonpublic school premises, or any other location off the nonpublic school premises which is neither physically nor educationally identified with the functions of the nonpublic school.

Sec. 12. Minnesota Statutes 1976, Section 123.932, is amended by adding a subdivision to read:

Subd. 10. "Guidance and counseling services" means all activities of a licensed counselor in counseling pupils and parents, providing counseling on learning problems, evaluating the abilities of pupils, assisting pupils in personal and social development and providing referral assistance.

Sec. 13. Minnesota Statutes 1976, Section 123.932, is amended by adding a subdivision to read:

Subd. 11. "Health services" means physician, dental, nursing or optometric services provided to pupils in the field of physical or mental health; provided the term does not include direct educational instruction, services which are required pursuant to section 120.17, or services which are eligible to receive special education aid pursuant to section 124.32.

Sec. 14. Minnesota Statutes 1976, Section 123.933, is amended to read:

123.933 [PURCHASE OR LOAN OF TEXTBOOKS AND STANDARDIZED TESTS.] *Subdivision 1.* The state board of education shall promulgate rules under the provisions of chapter 15, requiring that in each school year, based upon formal requests by or on behalf of nonpublic school students ~~pupils~~ in a nonpublic school, the local districts or intermediary service areas shall purchase or otherwise acquire ~~instructional materials~~ *textbooks and standardized tests* and loan or provide them for use by children enrolled in that nonpublic school. These ~~instructional materials~~ *textbooks and standardized tests* shall be loaned or provided free to the children for the school year for which requested. The loan or provision of the ~~instructional materials~~ *textbooks and standardized tests* shall be subject to rules prescribed by the state board of education. In the case of consumable or nonreusable ~~instructional materials~~ the title and possession may be surrendered to the nonpublic school student for whom they are provided; in the case of nonconsumable or reusable ~~instructional materials~~

Subd. 2. The title to ~~same~~ *textbooks and standardized testing materials* shall remain in the servicing school district or intermediary service area, and possession or custody may be granted or charged to administrators of the nonpublic school attended by the nonpublic school pupil or pupils to whom the ~~instructional materials~~ *were textbooks or standardized tests* are loaned or provided.

Subd. 3. The cost per pupil unit of the ~~instructional materials~~ *textbooks and standardized tests* provided for in sections 123.934 to 123.937 ~~this section~~ for each school year shall not exceed the state-wide average ~~cost expenditure~~ per pupil unit spent by the Minnesota public elementary and secondary schools for ~~instructional~~

~~materials textbooks and standardized tests~~ as computed and established by the department of education by each preceding October 1 March 1 of the preceding school year from the most recent public school year data then available. The commissioner shall allot to the school districts or intermediary service areas the total cost for each school year of providing or loaning the ~~instructional materials textbooks and standardized tests~~ for the students pupils in each nonpublic school which shall not exceed the product of the statewide average ~~cost expenditure~~ per pupil unit multiplied by the number of nonpublic school pupil units ~~pupils who make requests pursuant to this section and who are enrolled as of October 1 September 15 of the preceding current school year.~~

Sec. 15. Minnesota Statutes 1976, Section 123.935, is amended to read:

123.935 [PROVISION OF PUPIL SUPPORT SERVICES.]
Subdivision 1. The state board of education shall promulgate rules under the provisions of chapter 15 requiring each school district or other intermediary service area : (a) to provide each year upon formal request by a specific date by or on behalf of a nonpublic school student pupil enrolled in a nonpublic school located in that district or area , the same auxiliary specific health services as are provided for Minnesota public school pupils by the district where the nonpublic school is located; and (b) to provide each year upon formal request by a specific date by or on behalf of a nonpublic school secondary pupil enrolled in a nonpublic school located in that district or area, the same specific guidance and counseling services as are provided for public school secondary pupils by the district where the nonpublic school is located . The requests shall be limited collectively to The district where the nonpublic school is located shall provide the necessary transportation within the district boundaries between the nonpublic school and a public school or neutral site for nonpublic school pupils who are provided pupil support services pursuant to this section. Each request for pupil support services shall set forth the guidance and counseling or health services requested by or on behalf of all eligible nonpublic school students pupils enrolled in a given nonpublic school. The auxiliary services shall be provided in the student's respective school whenever possible by the district or intermediary service area wherein the nonpublic student's school is situated. The cost of the required services shall not exceed the amount allotted under this section to the participating district or intermediary service area. No district or intermediary service area shall expend an amount for these pupil support services which exceeds the amount allotted to it under this section.

Subd. 2. Health services may be provided to nonpublic school pupils pursuant to this section at a public school, a neutral site, the nonpublic school or any other suitable location. Guidance and counseling services may be provided to nonpublic school pupils pursuant to this section only at a public school or a neutral site. District or intermediary service area personnel and representatives of the nonpublic school pupils receiving pupil support services shall hold an annual consultation regarding the location of the provision

of these services. The district board or intermediary service area governing board shall make the final decision on the location of the provision of these services.

Subd. 3. Guidance and counseling services provided to nonpublic school pupils pursuant to this section shall not include the planning or selection of particular courses or classroom activities of the nonpublic school.

Subd. 4. Each school year the commissioner shall allot to the school districts or other intermediary service areas for the provision of the health services pursuant to this section the actual cost of the services provided for the pupils in each respective nonpublic school for that school year, but not to exceed \$50 multiplied by the number of nonpublic school pupils in grades 9 through 12 and \$75 the average expenditure per public school pupil for these services by those Minnesota public elementary and secondary schools which provide health services to public school pupils, multiplied by the number of nonpublic school pupils in kindergarten through grade 8, in that particular nonpublic school who request these health services and who are enrolled as of October 1 September 15 of the last preceding current school year.

Subd. 5. Each school year the commissioner shall allot to the school districts or intermediary service areas for the provision of guidance and counseling services pursuant to this section the actual cost of the services provided for the pupils in each respective nonpublic school for that school year. The allotment for guidance and counseling services for the secondary pupils in each nonpublic school shall not exceed the average expenditure per public school secondary pupil for these services by those Minnesota public schools which provide these services to their secondary pupils, multiplied by the number of secondary pupils in that particular nonpublic school who request these services and who are enrolled as of September 15 of the current school year.

Subd. 6. For purposes of computing maximum allotments for each school year pursuant to this section, the average public school expenditure per pupil for health services and the average public school expenditure per secondary pupil for guidance and counseling services shall be computed and established by the department of education by March 1 of the preceding school year from the most recent public school year data then available.

Sec. 16. Minnesota Statutes 1976, Section 123.936, is amended to read:

123.936 [PAYMENTS FOR CONTRACTUAL OBLIGATIONS.] In every event the commissioner shall make such payments to school districts or intermediary service areas pursuant to sections 123.931 to 123.937 as are needed to meet contractual obligations incurred for the provision of benefits to nonpublic school students pursuant to sections 123.933, 123.934 or 123.935.

Sec. 17. Minnesota Statutes 1976, Chapter 123, is amended by adding a section to read:

[123.9361] [ADMINISTRATIVE COSTS.] *Each year, a school district or intermediary service area may claim and receive from the department of education an additional sum for the actual cost of administration of sections 123.933 and 123.935, which shall not exceed an amount equal to five percent of the district's or area's allocation for that year pursuant to those sections.*

Sec. 18. Minnesota Statutes 1976, Section 123.937, is amended to read:

123.937 [APPROPRIATION.] *There is appropriated annually to the department of education from the general fund of the state treasury the sum of \$12,000,000 \$2,479,200 for the purposes of sections 123.931 to 123.937.*

Sec. 19. Minnesota Statutes 1976, Chapter 123, is amended by adding a section to read:

[123.938] [EDUCATIONAL AID FOR NONSECTARIAN NONPUBLIC SCHOOL CHILDREN.] *Subdivision 1. [DEFINITIONS.] As used in this section, the terms defined in this subdivision shall have the meanings ascribed to them.*

(1) "Nonsectarian nonpublic school" means any nonpublic school, as defined in section 123.932, subdivision 3, which is not church related, is not controlled by a church, and does not promote a religious belief.

(2) "Instructional materials" means books, workbooks, manuals, published materials, periodicals, documents, pamphlets, photographs, reproductions, pictorial or graphic works, musical scores, maps, globes, sound recordings including but not limited to those on discs and tapes, or any other printed and published materials of a similar nature made by any method. The term does not include textbooks or standardized tests as defined in section 123.932. The term includes only such secular, neutral and nonideological materials as are available and of benefit to Minnesota public school pupils or are made available in public school libraries. The term shall be limited to "school library and audio visual materials" and "instructional supplies" as those terms or their equivalent are described and designated in the manual of instructions for uniform accounting for Minnesota school districts published by the department of education.

Subd. 2. [APPLICATION OF SECTION; PUPIL COUNT.] *The provisions of this section shall apply only to those nonsectarian nonpublic schools which enroll fewer than 200 pupils as of September 15 of the school year for which the instructional materials and equipment are provided. For purposes of the count in this subdivision, each kindergarten pupil shall be counted as one pupil. The provisions of this section shall not apply to nonsectarian nonpublic schools whose primary purpose is to provide programs to preschool children or to children under the age of seven.*

Subd. 3. [PURCHASE OR LOAN OF INSTRUCTIONAL MATERIALS.] *The state board of education shall promulgate rules under the provisions of chapter 15, requiring that in each school*

year, based on formal requests by or on behalf of nonsectarian nonpublic school pupils in a nonsectarian nonpublic school, the local districts or intermediary service areas shall purchase or otherwise acquire instructional materials and loan or provide them for use by children enrolled in that nonsectarian nonpublic school. The loan or provision of the instructional materials shall be subject to rules promulgated by the state board of education.

In the case of consumable or nonreusable instructional materials, the title and possession may be surrendered to the nonsectarian nonpublic school pupil for whom they are provided; in the case of nonconsumable or reusable instructional materials the title to same shall remain in the servicing school district or intermediary service area, and possession or custody may be granted or charged to administrators of the nonsectarian nonpublic school attended by the nonsectarian nonpublic school pupil or pupils to whom the instructional materials were loaned.

The cost per pupil of the instructional materials provided for in this subdivision for each school year shall not exceed the statewide average expenditure per pupil by the Minnesota public elementary and secondary schools for instructional materials as computed and established by the department of education by March 1 of the preceding school year from the most recent public school year data then available. The commissioner shall allot to the school districts or intermediary service areas the total cost for each school year of providing or loaning the instructional materials for the pupils in each nonsectarian nonpublic school which shall not exceed the product of the statewide average expenditure per pupil multiplied by the number of nonsectarian nonpublic school pupils who make requests pursuant to this subdivision and who are enrolled as of September 15 of the current school year.

Subd. 4. The educational aids to nonsectarian nonpublic school pupils provided for by this section shall be supplementary to the educational aids and services provided to nonpublic school pupils pursuant to sections 123.931 to 123.937.

Subd. 5. During each school year the commissioner shall make such payments to school districts or intermediary service areas as are needed to meet contractual obligations incurred for the provision of benefits to nonsectarian nonpublic school students pursuant to this section.

Subd. 6. Each year, a school district or intermediary service area may claim and receive from the department of education an additional sum for the actual cost of administration of this section, which shall not exceed an amount equal to five percent of the district's or area's allocation for that year pursuant to this section.

Subd. 7. This section expires June 30, 1979.

Sec. 20. Minnesota Statutes, 1977 Supplement, Section 124.212, Subdivision 9a, is amended to read:

Subd. 9a. Shared time pupils are defined as those pupils who attend public schools school programs for part of the regular

school day and who otherwise fulfill the requirements of section 120.10 by attendance at a private school.

(a) The average daily membership of a pupil enrolled on a shared time basis shall equal the ratio of the total minutes for which the pupil is enrolled and the minimum minutes required during the year for a regularly enrolled public school pupil.

(b) Foundation aid for shared time pupils shall equal the amount which would accrue if shared time pupil units, counted pursuant to section 124.17, subdivision 1, clauses (1) and (2), were added to the district's total pupil units used in determining its foundation aid. Foundation aid for shared time pupils shall be in addition to any other aid to which the district is otherwise entitled and shared time average daily membership shall not be used in the computation of pupil units under section 124.17, subdivision 1, for any purpose other than the computation of shared time foundation aid pursuant to this subdivision.

(c) Foundation aid for shared time pupils shall be paid to the district of the pupil's residence. If a pupil attends shared time classes in another district, the resident district shall pay to the district of attendance an amount of tuition equal to the ratio in clause (a) times the amount of tuition which would be charged and paid for a nonresident public school pupil in a similar circumstance. The district of residence shall not be obligated for tuition except by previous agreement.

(d) Notwithstanding the provisions of clause (c), the resident district of a shared time pupil attending shared time classes in another district may grant the district of attendance, upon its request, permission to claim the pupil as a resident for state aid purposes. In this case, state aid shall be paid to the district of attendance and, upon agreement, the district of attendance may bill the resident district for any unreimbursed education costs, including unreimbursed transportation costs.

(e) Minutes of enrollment in a public school during which a nonpublic school pupil receives services pursuant to section 123.935 shall not be used in the computation of shared time foundation aid pursuant to this subdivision.

Sec. 21. Minnesota Statutes 1976, Section 124.212, is amended by adding a subdivision to read:

Subd. 9b. Public school programs may be provided to shared time pupils only at a public school building; provided, however, that special instruction and services for handicapped children required pursuant to section 120.17 may also be provided at a neutral site as defined in section 123.932, and diagnostic and health services required pursuant to section 120.17 may also be provided at a nonpublic school building. As used in this subdivision, "diagnostic services" means speech, hearing, vision, psychological, medical and dental diagnostic services and "health services" means physician, nursing or optometric services provided to pupils in the field of physical and mental health.

Sec. 22. Minnesota Statutes, 1977 Supplement, Section 124.223, is amended to read:

124.223 [TRANSPORTATION AID AUTHORIZATION.]
For the 1977-1978 1978-1979 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) and clause (10) 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 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; and

(10) Necessary transportation within district boundaries between a nonpublic school and a public school or a neutral site for nonpublic school pupils who are provided pupil support services pursuant to section 123.935.

Sec. 23. The state board of education may promulgate temporary rules for the implementation of sections 123.931 to 123.937

and section 19 of this act for the 1978-1979 school year. These temporary rules shall be effective for no more than 180 days following their approval by the attorney general. The portions of sections 123.931 to 123.937 relating to guidance and counseling services shall not be implemented until the 1979-1980 school year.

Sec. 24. [APPROPRIATION.] *There is appropriated from the general fund to the department of education for the year ending June 30, 1979, the sum of \$10,000 for the purpose of paying the department's expenses of administering sections 1 to 23 of this act. This appropriation shall be added to the amount appropriated for that year for that purpose in Laws 1977, Chapter 449, Section 2.*

Sec. 25. [APPROPRIATION.] *There is appropriated from the general fund to the department of education the sum of \$90,000 for the year ending June 30, 1979, for the purposes of section 19 of this act.*

Sec. 26. [REPEALERS.] *Subdivision 1. Minnesota Statutes 1976, Sections 123.932, Subdivisions 6 and 8; and 123.934, are repealed effective the day following final enactment.*

Subd. 2. Minnesota Statutes 1976, Section 123.932, Subdivisions 1 and 2; and Laws 1977, Chapter 447, Article VI, Section 12, are repealed effective July 1, 1978.

Sec. 27. [EFFECTIVE DATE.] *Sections 1 to 13, 15, 16, 17, 20, 21, and 23 of this act are effective the day following final enactment."*

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) Jack I. Kleinbaum, Peter P. Stumpf, Steve Engler

House Conferees: (Signed) James C. Pehler, Willis R. Eken, Russell P. Stanton

Mr. Kleinbaum moved that the foregoing recommendations and Conference Committee Report on S. F. No. 1722 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S. F. No. 1722: A bill for an act relating to education; providing educational aids for children attending nonpublic schools; appropriating money; amending Minnesota Statutes 1976, Sections 120.17, Subdivision 9; 123.931; 123.932, Subdivision 7, and by adding subdivisions; 123.933; 123.935; 123.936; 123.937; 124.212, by adding a subdivision; and Chapter 123, by adding sections; Minnesota Statutes, 1977 Supplement, Sections 124.212, Subdivision 9a; and 124.223; repealing Minnesota Statutes 1976, Sections 123.932, Subdivisions 1, 2, 6 and 8; 123.934; and Laws 1977, Chapter 447, Article VI, Section 12.

Was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 50 and nays 10, as follows:

Those who voted in the affirmative were:

Anderson	Dunn	Knoll	Olhoff	Sikorski
Bang	Engler	Laufenburger	Olson	Sillers
Benedict	Gearty	Lessard	Penny	Solon
Bernhagen	Hughes	Luther	Peterson	Stokowski
Borden	Humphrey	McCutcheon	Purfeerst	Stumpf
Brataas	Jensen	Menning	Renneke	Ueland, A.
Chenoweth	Keefe, J.	Merriam	Schmitz	Ulland, J.
Chmielewski	Keefe, S.	Moe	Schrom	Vega
Coleman	Kleinbaum	Nelson	Setzepfandt	Wegener
Dieterich	Knaak	Nichols	Sieloff	Willet

Those who voted in the negative were:

Ashbach	Johnson	Lewis	Schaaf	Strand
Gunderson	Knutson	Ogdahl	Spear	Tennessen

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

MOTIONS AND RESOLUTIONS—CONTINUED

S. F. No. 1864 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S. F. NO. 1864

A bill for an act relating to state employees; improving testing procedures; tightening provisions relating to provisional appointments; providing for a pilot reliability-based band width certification program; altering certain requirements for appointment and benefit eligibility; establishing special procedures for filling certain positions; providing for modified reimbursements of costs; providing notification of appeal rights; appropriating money; amending Minnesota Statutes 1976, Sections 43.13, Subdivision 1, and by adding a subdivision; 43.14, Subdivision 1; 43.18; 43.19, Subdivision 1; 43.20, Subdivisions 2, 3, 5, and by adding a subdivision; 43.24, Subdivision 1; 43.32, Subdivision 11; 43.327, Subdivisions 1 and 2; 43.491, by adding a subdivision; and Chapter 43, by adding a section.

March 20, 1978

The Honorable Edward J. Gearty
President of the Senate

The Honorable Martin O. Sabo
Speaker of the House of Representatives

We, the undersigned conferees for S. F. No. 1864, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and S. F. No. 1864 be amended as follows:

Strike everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1976, Section 43.13, Subdivision 1, is amended to read:

43.13 [EXAMINATIONS.] Subdivision 1. [FAIR TESTS; RECORDS.] All examinations for positions in the classified service shall relate to those matters which will fairly test the capacity and fitness of the persons examined to efficiently discharge the duties of the office or employment position sought by them. Each applicant in an oral examination shall be rated individually by each examiner who shall sign his rating of the applicant. The average of the examiners, examiners' separate ratings, if more than one examiner conducts the oral examinations, is the applicant's oral examination rating. The appointing authority may pay reasonable travel expenses actually incurred to applicants invited for oral examinations for those positions where unusual difficulty in recruiting qualified applicants is being encountered.

Sec. 2. Minnesota Statutes 1976, Section 43.13, is amended by adding a subdivision to read:

Subd. 4. [FREQUENCY OF TESTING.] *The commissioner shall devise and publicize a schedule of testing for all classes in the classified service designed to insure that examinations will be given at a frequency commensurate with the occurrence of vacancies in positions in each class and reflective of the need of appointing authorities to fill vacant positions rapidly. Procedures for the incorporation of scores into one eligible list if more than one examination is given for a class in one year and necessary restrictions on the ability of an applicant to take repeated examinations for the same class shall be adopted as rules.*

Sec. 3. [TRANSITION PROVISION.] *The commissioner may promulgate temporary rules in order to implement section 2 as soon as possible.*

Sec. 4. Minnesota Statutes 1976, Section 43.14, Subdivision 1, is amended to read:

43.14 [EXAMINATION REFUSED; APPEAL; BOND.] Subdivision 1. [REASONS FOR REFUSAL.] The commissioner may refuse to examine an applicant, or after examination may refuse to certify an eligible, who is found to lack any of the preliminary requirements established for the examination for the position or employment for which he applies; or who is physically so disabled as to be rendered unfit for the proper performance of the duties of the position to which he seeks appointment; or who is addicted to habit-forming drugs or is an habitual user of intoxicating liquors to excess; or who has been guilty of any crime involving moral turpitude or of infamous or notoriously disgraceful conduct; or who has been dismissed from the public service for delinquency or misconduct; or and shall refuse to certify an eligible who has made a false statement of any material fact; or who, directly or indirectly, shall give, render or pay, or promise to give, render or pay, any money,

service, or other valuable thing to any person for, or on account of, or in connection with, his test, appointment, or proposed appointment; or who practiced, or attempted to practice, any deception or fraud in his application, in his certificate, in his examination, or in securing his eligibility or appointment; or who refuses to furnish testimony as required in section 43.07.

Sec. 5. Minnesota Statutes 1976, Chapter 43, is amended by adding a section to read:

[43.162] [VALIDITY OF APPLICATIONS.] *No person shall be appointed to a position in the civil service until the appointing authority has made reasonable effort to verify any information contained in the prospective employee's job application which relates to the ability of the person to perform the job. The commissioner shall establish procedures, which shall not be promulgated as rules, for use by an appointing authority in performing this verification function. Notice of the verification responsibilities of the appointing authority shall be conspicuously printed on all state employment application forms.*

Sec. 6. Minnesota Statutes 1976, Section 43.18, is amended to read:

43.18 [VACANCIES.] Subdivision 1. [NOTICE.] *Appointing officers authorities shall give written notice to the commissioner of personnel of their intention to establish new positions and of the existence of any vacancy to be filled in any office or employment in the classified service, and, within a reasonable time after the receipt of this notice, the commissioner shall certify, from the list of eligibles, appropriate for the grade and class in which the position is classified, names in the manner as provided in this section.*

Subd. 2. [PROMOTIONS.] *In the case of positions to be filled by examinations other than open competitive examinations, the commissioner shall certify, from the list of eligibles, appropriate for the grade and class in which the position is classified, the first three names on such list together with any additional names of persons having an examination rating within three points of the person on the list with the highest examination rating and with any additional names of persons having the same score as the last name certified in accordance with the above, except as provided in sections 43.23 and 43.19, subdivision 1.*

Subd. 3. [ORIGINAL ENTRY.] *In the case of positions to be filled by open competitive examination, the commissioner shall certify the first ten names on the list together with any additional names of persons having the same score as the tenth name so certified. Appointments from the list shall only be made from the first ten available eligibles names so certified. The commissioner shall promulgate rules so that a determination of unavailability by an appointing authority will be based on a statement of unavailability from the eligible or lack of response by the eligible to notification by certified mail of the open position. Before requesting a recertification based on unavailability or rejection of an eligible, the appointing authority shall demonstrate the unavail-*

ability of an eligible or shall provide reasons for requesting the removal of an eligible's name from the certification.

Subd. 4. [APPOINTMENT; PROBATION.] The appointing officer authority shall appoint on probation, with sole reference to merit and fitness, one of the said candidates, whose name is certified in the manner above set forth, to fill such vacancy, except as provided in section 43.23. Seniority in length of service shall also be one of the factors in an appointment in the manner as provided by personnel rule. The provisions of this section shall not apply when the office or employment situation is among those listed in section 43.20, for which competitive examinations are not required.

Sec. 7. Minnesota Statutes 1976, Section 43.19, Subdivision 1, is amended to read:

43.19 [VACANCIES; PROMOTIONS; DISMISSALS.] Subdivision 1. [VACANCIES FILLED BY PROMOTION.] (1) Vacancies in positions shall be filled, so far as practicable, by promotion from among persons holding positions in the classified service, and, subject to such exceptions as the commissioner may provide, from the lower class or group within the particular classification, and in accordance with section 43.18 and personnel rules. Except as provided in clause (2), promotions shall be based upon merit and fitness, to be ascertained by competitive examinations in which the employee's efficiency, character, and job-related conduct shall all constitute a factor. For positions defined by personnel rule as "non-managerial" seniority shall also constitute a factor.

(2) The commissioner may authorize the appointing authority of any state office or department agency to promote any employee in that office or department agency to a position of in a higher grade or class requiring peculiar and exceptional qualifications of an administrative, scientific, professional, or expert character, following a non-competitive examination, which shall be practical and shall involve only the duties of the position.

(3) The commissioner shall give the non-competitive examinations provided for in clause (2) upon request of any appointing authority, in accordance with personnel rules.

Sec. 8. Minnesota Statutes 1976, Section 43.20, Subdivision 2, is amended to read:

Subd. 2. When the commissioner determines there are urgent reasons for filling a vacancy in any position in the classified service and the commissioner is unable to certify from any a complete and appropriate eligible list for the vacancy, the commissioner may, upon the request of the appointing authority, issue a provisional permit or certify a suitable person to fill such vacancy provisionally only until a selection and appointment can be made after competitive examination; but. When requesting a provisional appointment, an appointing authority shall certify to the commissioner that he has determined that all persons on an incomplete appropriate list are unsuitable or unavailable for appointment.

Before granting a provisional permit to a person, the commissioner shall review the qualifications of the prospective employee and shall make a preliminary determination that the person would be qualified for the position on a permanent basis or is qualified in all respects except for completion of a licensure requirement. No person shall receive more than one provisional appointment nor serve more than six months in any 12 month period as a provisional appointee, except, where in individual cases the commissioner grants an exception for the good of the service. If the position is opened for competitive examination after the appointment of a provisional employee, no person shall be denied certification to an eligible list for the position solely because he did not serve in the position in a provisional capacity. If a provisional appointment is made after a determination of the unavailability or unsuitability of all persons on the incomplete list, the commissioner may at the request of the appointing authority designate the provisional appointee as a probationary appointee if the employee has performed satisfactorily for at least 60 days in the provisional capacity and has received a passing score on an appropriate examination. A person receiving a probationary appointment after serving as a provisional appointee, shall be required to complete the same probationary period as other appointees to similar permanent positions.

Sec. 9. Minnesota Statutes 1976, Section 43.20, Subdivision 3, is amended to read:

Subd. 3. In case of an emergency, an appointment may be made without regard to the provisions of this chapter, but in no case shall it continue longer than ten working days, and in no case shall successive emergency appointments be made; this provision shall apply to both persons and positions; and no person shall receive more than three emergency appointments in any one or different positions within ~~one year~~ any 12 month period .

Sec. 10. Minnesota Statutes 1976, Section 43.20, Subdivision 5, is amended to read:

Subd. 5. Where the services to be rendered by an appointee are for a temporary period not to exceed *an accumulation of six months in any 12 month period* , the commissioner shall certify from an eligible list for the temporary service any person he deems qualified; the acceptance or refusal by an eligible of a temporary appointment shall not affect his standing on the register for permanent employment, nor shall the period of temporary service be counted as a part of the probationary period in case of subsequent appointment to a permanent position. ~~No person shall receive more than one temporary appointment within one year.~~ No temporary appointment shall exceed *an accumulation of six months* except to fill a vacancy created by an approved leave of absence not to exceed one year or where the commissioner grants an extension of temporary appointment to the maximum of one year in the best interests of the state.

Sec. 11. Minnesota Statutes 1976, Section 43.20, is amended by adding a subdivision to read:

Subd. 7. Where the position to be filled is of a routine, service nature involving unskilled tasks, the performance of which cannot be directly related to qualifications beyond a minimum competency level, the commissioner may authorize the administration of a basic qualifying selection process designed to ascertain which candidates could perform the tasks of the job in a satisfactory manner. Any candidate found so qualified may be certified and appointed to such a position.

Sec. 12. Minnesota Statutes 1976, Section 43.24, Subdivision 1, is amended to read:

43.24 [REMOVAL.] Subdivision 1. [WRITTEN STATEMENT.] No permanent employee in the classified service, under the provisions of this chapter or the rules made pursuant thereto, shall be removed, discharged, suspended without pay for more than 30 days, or reduced in pay or position, except for just cause, which shall not be religious or political, or because of the employee's race, sex, disability or age, subject however to the mandatory retirement ages specified by law. In case of any disciplinary action, as enumerated in this section, the employee shall, before the action is taken, be furnished with a statement, in writing, setting forth the reasons for the disciplinary action, be permitted five days time to reply thereto, in writing, or upon his request, to appear personally and reply to the head of the department. A copy of the statement and the employee's reply, if any, shall be filed with the commissioner prior to the effective date thereof. *Any permanent employee in the classified service who is removed, discharged, suspended without pay, or reduced in pay or position, shall be notified no later than the effective date of the action of his right to appeal the action to the board.*

Sec. 13. Minnesota Statutes 1976, Section 43.32, Subdivision 11, is amended to read:

Subd. 11. [REVIEW OF TRAINING PLANS.] The head of each department shall be responsible, with the advice and counsel of the commissioner, for planning, budgeting and conducting training programs within the scope of the overall training plan. He shall submit his training plans and budgets for each year of the biennium to the commissioner for review and comment prior to the implementation of any program, but in any case no later than six weeks after the budget appropriations are approved.

For purposes of training, the commissioner may accept funds from any source and may be reimbursed by the various departments for reasonable program cost. *Moneys transferred to the commissioner pursuant to this subdivision are appropriated to the commissioner to perform training functions as provided herein.*

Sec. 14. Minnesota Statutes 1976, Section 43.327, Subdivision 1, is amended to read:

43.327 [TRAVEL AND RELOCATION EXPENSES.] Subdivision 1. [COMMISSIONER TO MAKE RULES ON RELOCATION.] The commissioner shall make personnel rules relating to the expenses of moving state officers and employees, their

families and household goods to new stations, subsistence, realtor fees, and such other expenses as may be incident to assignment to such stations.

Sec. 15. Minnesota Statutes 1976, Section 43.327, Subdivision 2, is amended to read:

Subd. 2. [COMMISSIONER TO MAKE RULES ON TRAVEL.] The commissioner shall make personnel rules relating to travel of state officers and employees on state business and expenses incurred thereon. *When unusual difficulty in recruiting qualified applicants is being encountered the commissioner may authorize the appointing authority to pay travel expenses incurred by applicants invited for oral examinations or for employment interviews in the same manner and amounts authorized by personnel rules for state employees.*

Sec. 16. Minnesota Statutes 1976, Section 43.491, is amended by adding a subdivision to read:

Subd. 5. *Notwithstanding the restrictions contained in section 43.44, subdivision 2, a retired state employee who is eligible for, applies for and receives an annuity under a state retirement program shall be eligible to continue to participate at his own expense in the hospital benefits coverage and medical benefits coverage provided for other state employees by sections 43.42 to 43.50. The retired employee may also, at his own expense, continue hospital benefits coverage and medical benefits coverage for his dependents who meet the general dependent eligibility requirements for those coverages. The coverage shall be coordinated with relevant health insurance benefits provided through the federally-sponsored medicare program. Within 30 days after the effective date of this section or within 30 days after the effective date of his retirement, whichever day is later, the employee shall notify the commissioner or his designee of his intention to continue the coverage. The commissioner shall establish forms and procedures for exercise of the option provided by this section and for payment of necessary premiums.*

Sec. 17. [RELIABILITY-BASED BAND WIDTH CERTIFICATION.] Subdivision 1. [SELECTION OF CLASSES.] *Notwithstanding the provisions of Minnesota Statutes, Section 43.18 or any other law to the contrary, the commissioner of personnel shall designate job classes in the state classified civil service to be filled according to the reliability-based band width certification procedure specified in this section. The commissioner shall designate classes covering a broad spectrum of types of employment and shall designate classes which include positions under the jurisdiction of the greatest possible number of state agencies.*

Subd. 2. [DEFINITION.] *As used in this section, reliability-based band width certification shall mean a process for the preparation of a list of certified eligibles for filling vacant positions within a job class, based upon the statistical reliability of the examination. The list shall be composed of those persons who received a passing score and whose scores fell within that top range of scores which the reliability determination reveals to be sub-*

stantially indistinguishable. In no event shall a list of certified eligibles prepared under the band width certification procedure contain less than ten names unless fewer than ten persons received passing scores, in which case all persons who received passing scores shall be placed on the list. Names of certified eligibles on a list prepared under this section shall be placed in random order and shall not be ranked when delivered to an appointing authority. This section shall not be deemed to be inconsistent with other laws which would expand the size of an eligible list beyond the size provided for in this section.

Subd. 3. [PROCEDURES.] The commissioner shall establish uniform procedures for the implementation of this section. The procedures shall be adopted as temporary rules and, notwithstanding the limitations of Minnesota Statutes, Section 15.0412, shall be effective for the duration of the band width certification program unless superseded, repealed or amended by temporary or other rule. When a list of certified eligibles prepared pursuant to this section is supplied to an appointing authority, the list shall be accompanied by an explanation of the program and a copy or summary of applicable rules.

Subd. 4. [MONITORING; REPORT.] No later than January 1, 1980, the commissioner shall provide the governor and the legislature with a report giving the procedures, results, costs and evaluations of the program and the substance of comments received from affected persons. In the report he shall recommend whether to continue the program and what changes may be necessary. Periodically throughout the duration of the program he shall advise the governmental operations committees of the senate and the house of representatives and the legislative audit commission on the progress of the program and his evaluation to date.

Sec. 18. [APPROPRIATIONS.] \$244,700 is appropriated from the general fund in the state treasury to the commissioner of personnel for the period ending June 30, 1979, to be used for personnel technical services, revision and mailing of job announcements, establishment of a toll free telephone service to assist potential applicants, determination of applicant availability and any other activity authorized by this act.

The authorized complement of the department is increased by ten persons.

Sec. 19. [EFFECTIVE DATE.] This act is effective the day following final enactment. Section 17 expires June 30, 1980. Procedures relating to examinations announced prior to May 1, 1978, shall be completed pursuant to law in effect on the day prior to the effective date of this act. Certifications of eligibles in force on May 1, 1978, shall remain effective pursuant to law in effect on the day prior to the effective date of this act."

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) John C. Chenoweth, James Ulland, David D. Schaaf.

House Conferees: (Signed) Linda L. Berglin, Pete R. Petrafeso, Kenneth P. Zubay.

Mr. Chenoweth moved that the foregoing recommendations and Conference Committee Report on S. F. No. 1864 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S. F. No. 1864: A bill for an act relating to state employees; improving testing procedures; tightening provisions relating to provisional appointments; providing for a pilot reliability-based band width certification program; altering certain requirements for appointment and benefit eligibility; establishing special procedures for filling certain positions; providing for modified reimbursements of costs; providing notification of appeal rights; appropriating money; amending Minnesota Statutes 1976, Sections 43.13, Subdivision 1, and by adding a subdivision; 43.14, Subdivision 1; 43.18; 43.19, Subdivision 1; 43.20, Subdivisions 2, 3, 5, and by adding a subdivision; 43.24, Subdivision 1; 43.32, Subdivision 11; 43.327, Subdivisions 1 and 2; 43.491, by adding a subdivision; and Chapter 43, by adding a section.

Was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 52 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Gunderson	Lessard	Penny	Strand
Bang	Hughes	Lewis	Peterson	Stumpf
Benedict	Humphrey	Luther	Purfeerst	Tennessen
Bernhagen	Jensen	McCutcheon	Schaaf	Ueland, A.
Brataas	Johnson	Menning	Schmitz	Ulland, J.
Chenoweth	Keefe, J.	Merriam	Schrom	Vega
Chmielewski	Keefe, S.	Moe	Setzepfandt	Wegener
Dieterich	Kleinbaum	Nichols	Sikorski	Willet
Dunn	Knoll	Ogdahl	Sillers	
Engler	Knutson	Olhoft	Spear	
Gearty	Laufenburger	Olson	Stokowski	

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

MOTIONS AND RESOLUTIONS—CONTINUED

S. F. No. 1943 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S. F. NO. 1943

A bill for an act relating to forests; regulating the maintenance of fires therein; amending Minnesota Statutes 1976, Sections 88.01, by adding a subdivision; 88.10; 88.16; 88.17; 88.22; 88.73; 88.75, Subdivision 1; 88.76; 88.77; and 88.78.

March 22, 1978

The Honorable Edward J. Gearty
President of the Senate

The Honorable Martin O. Sabo
Speaker of the House of Representatives

We, the undersigned conferees for S. F. No. 1943, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and S. F. No. 1943 be amended as follows:

Strike everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1976, Section 88.01, is amended by adding a subdivision to read:

Subd. 23. [OPEN FIRE.] "Open fire" means a fire burning in matter, whether concentrated or dispersed, which is not contained within a fully enclosed firebox, structure or vehicle and from which the products of combustion are emitted directly to the open atmosphere without passing through a stack, duct or chimney.

Sec. 2. Minnesota Statutes 1976, Section 88.10, is amended to read:

88.10 [FIGHTING FOREST FIRES, AUTHORITY OF STATE FOREST OFFICERS.] Subdivision 1. Under the direction of the commissioner, forest officers are charged with preventing and extinguishing forest fires in their respective districts and the performance of such other duties as may be required by him. They may arrest without warrant any person found violating any provisions of sections 88.03 to ~~88.21~~ 88.22, take him before a court of competent jurisdiction in the county charging the person so arrested, and the person so charged shall be arraigned and given a hearing on the complaint. The forest officers shall not be liable in civil action for trespass committed in the discharge of their duties. All authorized state forest officers, including rangers, guards, township fire wardens, smoke chasers, fire foremen or individuals legally employed as fire fighters, may in the performance of their duties of fire fighting go onto the property of any person, company, or corporation and in so doing may set backfires, dig or plow trenches, cut timber for clearing fire lines, dig water holes, remove fence wires to provide access to the fire or carry on all other customary activities necessary for the fighting of forest, prairie or brush fires without incurring a liability to anyone, except for damages arising out of wilful or gross negligence.

Subd. 2. Any forest officer may serve any warrant for the arrest of any person violating any provision of sections 88.03 to ~~88.21~~ 88.22 and for that purpose all forest officers are hereby vested with the same powers as constables or other similar officers of the courts issuing such warrants.

Sec. 3. Minnesota Statutes 1976, Section 88.16, is amended to read:

88.16 [STARTING FIRES; CAMPFIRE; INCINERATORS; BURNING BAN.] Subdivision 1. *Except as provided in subdivision 2, it shall be unlawful, when the ground is not snow-covered, in any place where there are standing or growing native coniferous trees, or in areas of ground from which native natural coniferous trees have been cut, or where there are slashings of such trees, or native brush, timber, slashings thereof, or excavated stumps, or where there is peat or peat roots excavated or growing, to start or have any open fire, or any back fire, without the written permission of the commissioner, or other authorized forest officer.*

Subd. 2. No permit is required for the following open fires:

(a) A cooking or warming fire contained in a fireplace, fire-ring, charcoal grill, portable gas or liquid fueled camp stove or other similar container or device designed for the purpose of cooking or heating, or if the area within a radius of five feet of the fire is reasonably clear of all combustible material.

(b) The burning of grass, leaves, rubbish, garbage, branches, and similar combustible material in an approved incinerator. An approved incinerator shall be constructed of fire resistant material, have a capacity of at least three bushels, be maintained with a minimum burning capacity of at least two bushels, and have a cover which is closed when in use and openings in the top or sides of one inch maximum diameter. No combustible material shall be nearer than three feet to the burner or incinerator when in use.

Subd. 2 3 . The occupant of any premises upon which any unauthorized fire is burning in the vicinity of forest lands, whether the fire was started by him or otherwise, shall promptly report the fire to the commissioner, or to the nearest forest officer or fire warden. Failure to make this report shall be deemed a violation of sections 88.03 to 88.21 88.22 and the occupant of the premises shall be deemed prima facie guilty of negligence if the unreported fire spreads from the premises to the damage, loss, or injury of the state or any person.

Sec. 4. Minnesota Statutes 1976, Section 88.17, is amended to read:

88.17 [PERMISSION TO START FIRES; PROSECUTION FOR UNLAWFULLY STARTING FIRES.] Subdivision 1. Permission to set fire to any grass, stubble, peat, brush, raking of leaves, rubbish, garbage, branches, slashings or woods for the purpose of cleanup, clearing and improving land or preventing other fire shall be given whenever the same may be safely burned, upon such reasonable conditions and restrictions as the commissioner may prescribe, to prevent same from spreading and getting beyond control. This permission shall be in the form of a written permit signed by a regular forest officer or some other suitable person to be designated by him, as town fire warden, these permits to be on forms furnished by the commissioner. The commissioner, or any of his authorized assistants, may at his discretion in cases of extreme danger refuse, revoke,

or postpone the use of permits to burn when such act is clearly necessary for the safety of life and property. Any person setting any fire or burning anything under such permit shall keep the permit on his person while so engaged and produce and exhibit the permit to any forest officer, when requested to do so. No permit is required for the burning of grass, leaves, rubbish, garbage, branches and similar combustible material under the following conditions: (1) The material shall be burned within an incinerator or burner constructed of fire resistant material having a capacity of not less than three bushels and maintained with a minimum burning capacity of not less than two bushels, a cover which is closed when in use, and maximum openings in the top or sides no greater than one inch in diameter; and (2) No combustible material shall be nearer than three feet to the burner or incinerator when it is in use.

Subd. 2. In any prosecution under sections 88.03 to 88.21 88.22 for unlawfully starting or setting or having or permitting the continuation or spread of any fire or back-fire, proof upon the part of the prosecution that such fire or back-fire originated upon, or was permitted to burn upon, or that it spread from, lands or premises occupied by the person charged with the offense, and that this person had knowledge of the fire and made no effort to put it out, shall be prima facie evidence that he is guilty. The burden of proof as to any matter in refutation of this prima facie guilt, or in extenuation or excuse, shall be and rest upon the person so appearing prima facie to be guilty.

Sec. 5. Minnesota Statutes 1976, Section 88.22, is amended to read:

88.22 [FOREST FIRE PREVENTION; CLOSING FOREST ROADS AND TRAILS; PROHIBITING OPEN FIRES AND SMOKING; REGULATING PRIVATE AND PUBLIC DUMPING AREAS; PENALTIES.] *Subdivision 1.* When the commissioner of natural resources shall determine that conditions conducive to forest fire hazards exist in the forest areas of the state and that the presence of persons in the forest areas tends to aggravate forest fire hazards, render forest trails impassable by driving thereon during wet seasons and hampers the effective enforcement of state timber trespass and game laws, he may by written order, close any road or trail leading into any land used for any conservation purposes, to all modes of travel except that considered essential such as residents traveling to and from their homes or in other cases to be determined by the authorized forest officers assigned to guard the area. The commissioner may also, upon such determination, by written order, ~~prohibit the building of all campfires except by permit issued by an authorized officer suspend the issuance of permits for open fires, revoke or suspend the operation of a permit previously issued and, to the extent he deems necessary, prohibit the building of all or some kinds of open fires in all or any part of a forest area regardless of whether a permit is otherwise required~~; and the commissioner also may, by written order, prohibit smoking except at places of habitation or automobiles or other enclosed vehicles properly equipped with an efficient ash tray.

Subd. 2. The commissioner may close any public or private dumping area, by posting such area as closed to dumping, whenever he deems it necessary for the prevention of forest fires. Thereafter no person shall deposit refuse of any kind within or adjacent to such closed area, or along the road leading thereto.

The commissioner shall establish such minimum standards governing public and private dumping areas as he deems necessary for the prevention of forest fires.

Subd. 3. Any violations of this section shall constitute a misdemeanor.

Sec. 6. Minnesota Statutes 1976, Section 88.73, is amended to read:

88.73 [ADMINISTRATION; DELEGATED POWERS AND DUTIES.] The director is hereby empowered and directed to administer and enforce sections 88.03 to ~~88.21~~ 88.22 ; and, to that end, he may make and enforce all necessary or convenient rules and regulations not inconsistent with the provisions and purposes of these sections. In every case the powers delegated to, and the duties imposed upon, the director, and other state or municipal representatives by sections 88.03 to ~~88.21~~ 88.22 shall be exercised and performed in good faith, without undue oppression, and in a manner as reasonable as the exigencies of the situation will permit.

Nothing in sections 88.03 to ~~88.21~~ 88.22 shall be construed as abrogating the laws specifically governing state parks or other public parks, or state or municipal forests. The provisions of all such laws and of sections 88.03 to ~~88.21~~ 88.22 shall be harmonized and both given effect wherever possible.

Nothing in sections 88.03 to ~~88.21~~ 88.22 shall be construed as restricting the state, or any political subdivision thereof, in the exercise of any power, right, or privilege which may be conferred by separate enactment of the legislature under authority of the so-called forest fire prevention amendment to the State Constitution, approved by vote of the electors of this state at the general election held in November, 1924.

Sec. 7. Minnesota Statutes 1976, Section 88.75, Subdivision 1, is amended to read:

88.75 [VIOLATIONS; PENALTIES.] Subdivision 1. Any person who violates any of the provisions of sections 88.03 to ~~88.21~~ 88.22 for which no specific penalty is therein prescribed shall be guilty of a misdemeanor and be punished accordingly.

Failure by any person to comply with any provision or requirement of sections 88.03 to ~~88.21~~ 88.22 to which such person is subject shall be deemed a violation thereof.

Any person who violates any provisions of sections 88.03 to ~~88.21~~ 88.22 , in addition to any penalties therein prescribed, or hereinbefore in this section prescribed, for such violation, shall also be liable in full damages to any and every person suffering loss or injury by reason of such violation, including

liability to the state, and any of its political subdivisions, for all expenses incurred in fighting or preventing the spread of, or extinguishing, any fire caused by, or resulting from, any violation of these sections. When a fire set by any person spreads to and damages or destroys property belonging to another, the person setting the fire shall be prima facie guilty of negligence in setting and allowing the same to spread.

At any time the state, or any political subdivision thereof, either of its own motion, or at the suggestion or request of the director, may bring an action in any court of competent jurisdiction to restrain, enjoin, or otherwise prohibit any violation of sections 88.03 to ~~88.21~~ 88.22, whether therein described as a crime or not, and likewise to restrain, enjoin, or prohibit any person from proceeding further in, with, or at any timber cutting or other operations without complying with the provisions of those sections, or the requirements of the director pursuant thereto; and the court may grant such relief, or any other appropriate relief, whenever it shall appear that the same may prevent loss of life or property by fire, or may otherwise aid in accomplishing the purposes of sections 88.03 to ~~88.21~~ 88.22.

Sec. 8. Minnesota Statutes 1976, Section 88.76, is amended to read:

88.76 [REWARDS.] Upon conviction of any person for violating any of the provisions of sections 88.03 to ~~88.21~~ 88.22, the director, at his discretion, may pay, from any money placed at his disposal under those sections, a reward of not more than \$25 to the person or persons giving the information leading to such conviction.

Sec. 9. Minnesota Statutes 1976, Section 88.77, is amended to read:

88.77 [DISPOSAL OF FINES AND PENALTIES.] Except as otherwise expressly provided in sections 88.03 to ~~88.21~~ 88.22, all moneys received as penalties for violations of the provisions of those sections, less the cost of collection, shall be paid into the treasury of the county in which the penalties for these violations were imposed; provided, that fines collected for violations of those sections, where prosecutions are instituted upon the complaint of town or city officers duly appointed by the director as fire wardens, shall be paid into the treasury of the town or city where the offense was committed.

Sec. 10. Minnesota Statutes 1976, Section 88.78, is amended to read:

88.78 [APPEALS.] No appeal shall be allowed from a judgment in any court of a justice of the peace, or a municipal court, or other similar court, to the district court in any prosecution under sections 88.03 to ~~88.21~~ 88.22, unless the person appealing shall, within the time prescribed by law, enter into a recognizance, with sufficient sureties, or deposit cash bail in twice the amount of the fine and costs, to be approved by the justice, conditioned to appear before the district court on the first day of the next

general term thereof to be held in and for the same county, and abide the judgment of the court therein.

The justice or judge may examine the proposed sureties under oath and, in such case, shall make and keep a record of their answers in respect to the kinds and amount of their property not exempt from execution, and he shall furnish a copy of the same to the director.

When an arrest shall have been made for violation of any of the provisions of sections 88.03 to ~~88.21~~ 88.22, or when information of such violation shall have been lodged with him, the county attorney of the county in which the offense was committed shall prosecute the accused with diligence and energy.

Sec. 11. [EFFECTIVE DATE.] *This act is effective the day following its final enactment.*"

Further, strike the title and insert:

"A bill for an act relating to natural resources; concerning forestry; regulating the maintenance of fires; amending Minnesota Statutes 1976, Sections 88.01, by adding a subdivision; 88.10; 88.16; 88.17; 88.22; 88.73; 88.75, Subdivision 1; 88.76; 88.77; and 88.78."

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) William P. Luther, Robert G. Dunn, Gerald L. Willet.

House Conferees: (Signed) Tom Stoa, Bruce G. Nelsen, Robert L. Ellingson.

Mr. Luther moved that the foregoing recommendations and Conference Committee Report on S. F. No. 1943 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S. F. No. 1943: A bill for an act relating to forests; regulating the maintenance of fires therein; amending Minnesota Statutes 1976, Sections 88.01, by adding a subdivision; 88.10; 88.16; 88.17; 88.22; 88.73; 88.75, Subdivision 1; 88.76; 88.77; and 88.78.

Was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 53 and nays 2, as follows:

Those who voted in the affirmative were:

Anderson	Dieterich	Humphrey	Knoll	McCutcheon
Bang	Dunn	Jensen	Knutson	Menning
Benedict	Engler	Johnson	Laufenburger	Merriam
Bernhagen	Gearty	Keefe, J.	Lessard	Moe
Brataas	Gunderson	Kleinbaum	Lewis	Nelson
Chenoweth	Hughes	Knaak	Luther	Ogdahl

Olhoff	Schaaf	Sikorski	Strand	Vega
Olson	Schmitz	Sillers	Stumpf	Wegener
Peterson	Schrom	Solon	Tennessen	Willet
Purfeerst	Setzepfandt	Spear	Ueland, A.	
Renneke	Sieloff	Stokowski	Ulland, J.	

Messrs. Nichols and Penny voted in the negative.

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

MOTIONS AND RESOLUTIONS—CONTINUED

S. F. No. 1548 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S. F. NO. 1548

A bill for an act relating to courts; changing fees collected by court clerks for certain actions and services; amending Minnesota Statutes 1976, Section 357.021, Subdivision 2; Chapter 525 by adding a section; and Minnesota Statutes, 1977 Supplement, Section 517.08, Subdivision 1.

March 21, 1978

The Honorable Edward J. Gearty
President of the Senate

The Honorable Martin O. Sabo
Speaker of the House of Representatives

We, the undersigned conferees for S. F. No. 1548, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and S. F. No. 1548 be amended as follows:

Page 1, line 17, strike "\$15" and insert "\$20"

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) Gene Merriam, Neil Dieterich, Ron Sieloff

House Conferees: (Signed) David Cummiskey, Adolph L. Kvam

Mr. Merriam moved that the foregoing recommendations and Conference Committee Report on S. F. No. 1548 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S. F. No. 1548: A bill for an act relating to courts; changing fees collected by court clerks for certain actions and services; amending Minnesota Statutes 1976, Section 357.021, Subdivision 2; Chapter 525 by adding a section; and Minnesota Statutes, 1977 Supplement, Section 517.08, Subdivision 1.

Was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 43 and nays 11, as follows:

Those who voted in the affirmative were:

Anderson	Gunderson	Luther	Purfeerst	Strand
Bang	Hughes	Menning	Schmitz	Stumpf
Benedict	Humphrey	Merriam	Schrom	Tennessen
Brataas	Johnson	Moe	Sieloff	Ueland, A.
Chenoweth	Kleinbaum	Nelson	Sikorski	Vega
Chmielewski	Knaak	Olhoft	Sillers	Wegener
Dieterich	Laufenburger	Olson	Solon	Willet
Engler	Lessard	Penny	Staples	
Gearty	Lewis	Peterson	Stokowski	

Those who voted in the negative were:

Ashbach	Knoll	Nichols	Renneke	Spear
Bernhagen	Knutson	Ogdahl	Setzepfandt	Ulland, J.
Keefe, J.				

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

MOTIONS AND RESOLUTIONS—CONTINUED

Mr. McCutcheon moved that S. F. No. 318 be taken from the table. The motion prevailed.

CONCURRENCE AND REPASSAGE

Mr. McCutcheon moved that the Senate concur in the amendments by the House to S. F. No. 318 and that the bill be placed on its repassage as amended. The motion prevailed.

S. F. No. 318: A bill for an act relating to criminal procedure; permitting peace officers to make arrests upon probable cause in cases of domestic assault; requiring detention and review of bail for persons charged with domestic assault; permitting the judge to stay execution and imposition of sentence conditioned upon the defendant seeking appropriate counseling; amending Minnesota Statutes 1976, Section 609.135, by adding a subdivision; and Chapter 629, by adding sections.

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 51 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Gunderson	Luther	Renneke	Stumpf
Ashbach	Hughes	McCutcheon	Schaaf	Tennessee
Bang	Humphrey	Menning	Schrom	Ueland, A.
Benedict	Johnson	Merriam	Setzepfandt	Ulland, J.
Bernhagen	Kleinbaum	Moe	Sieloff	Vega
Brataas	Knaak	Nelson	Sikorski	Wegener
Chmielewski	Knoll	Ogdahl	Sillers	Willet
Coleman	Knutson	Olhoff	Spear	
Dunn	Laufenburger	Penny	Staples	
Engler	Lessard	Peterson	Stokowski	
Gearty	Lewis	Purfeerst	Strand	

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

Remaining on the Order of Business of Motions and Resolutions, Mr. Coleman moved to take up the Special Orders Calendar. The motion prevailed.

SPECIAL ORDER

H. F. No. 2160: A bill for an act relating to retirement; teachers retirement association; prospective discontinuation of the variable annuity program; amending Minnesota Statutes 1976, Sections 354.44, Subdivision 7; 354.62, Subdivisions 1 and 2; and Chapter 354, by adding a section.

Mr. Stokowski moved that the amendment made to H. F. No. 2160 by the Committee on Rules and Administration in the report adopted March 21, 1978, pursuant to Rule 49, be stricken. The motion prevailed. So the amendment was stricken.

Mr. Stokowski moved to amend H. F. No. 2160 as follows:

Page 2, line 1, reinstate the stricken language and strike the new language

Page 2, line 9, after "be" insert "*one quarter of one percent*"

Pages 2 and 3, strike sections 3 and 4

Pages 3 to 5, strike sections 6 and 7

Page 6, lines 5 and 10, strike "4" and insert "7"

Page 7, line 28, strike "4" and insert "7"

Page 11, line 32, reinstate the stricken language and strike the new language

Page 12, line 5, strike "such reduction" and insert "*the normal coordinated retirement annuity*"

Page 12, line 5, strike "applied" and insert "*reduced by one quarter of one percent*"

Page 13, line 22, after "during" insert "*the final five years of service with the compensation paid during*"

Page 13, line 32, strike "8, 9, 10, 11" and insert "4, 5, 6, 7"

Page 14, line 1, strike "13, 15, 16 and 17" and insert "9, 11, 12 and 13"

Page 14, line 2, strike “, 3, 4, 6, 7 and 14” and insert “and 10”

Page 14, line 3, strike “5 and 12” and insert “3 and 8”

Renumber the sections in sequence

Amend the title as follows:

Line 14, strike “353.30, Subdivisions 1 and 1b;”

Line 15, strike “Subdivisions 1, 6” and insert “Subdivision”

Line 16, strike the first “and”

The motion prevailed. So the amendment was adopted.

H. F. No. 2160 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 49 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Dunn	Keefe, S.	Nelson	Spear
Aashbach	Engler	Kleinbaum	Nichols	Staples
Bang	Frederick	Knoll	Ogdahl	Stokowski
Benedict	Gearly	Knutson	Peterson	Strand
Bernhagen	Gunderson	Laufenburger	Purfeerst	Stumpf
Brataas	Hanson	Lessard	Renneke	Tennessen
Chenoweth	Hughes	Lewis	Schmitz	Ueland, A.
Chmielewski	Humphrey	McCutcheon	Setzepfandt	Vega
Coleman	Johnson	Merriam	Sieloff	Willet
Dieterich	Keefe, J.	Moe	Sikorski	

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

SPECIAL ORDER

S. F. No. 633: A bill for an act relating to retirement; state employees and Minneapolis municipal employees; reducing the penalty for early retirement in certain cases; increasing the retirement annuity formula; clarifying the term “special teacher” in correctional plan; repealing 15 percent limit on average salary computation; amending Minnesota Statutes 1976, Sections 352.116, Subdivision 1; and 352.91, Subdivision 2; and Minnesota Statutes, 1977 Supplement, Section 422A.32, Subdivision 2; repealing Minnesota Statutes 1976, Section 356.34, as amended.

Mr. Stokowski moved that S. F. No. 633 be stricken from the Special Orders Calendar and returned to the author. The motion prevailed.

SPECIAL ORDER

H. F. No. 1940: A bill for an act relating to the environmental education board; transferring the board to the department of natural resources.

Mr. Nichols moved to amend the amendment placed on H. F.

No. 1940 by the Committee on Governmental Operations, adopted by the Senate March 11, 1978, as follows:

After the inserted section 2, insert

"Sec. 3. On or before November 15, 1981, the Minnesota environmental education board shall prepare and submit to the legislature and the governor a report evaluating the following issues: (a) the status of environmental education activities performed by state agencies, (b) the degree of interaction and coordination between these agencies, (c) the need for continued or expanded environmental education activities by all state agencies, and, in particular, the board, and (d) whether the board should be abolished and its functions suspended or transferred. In respect to clauses (c) and (d), the board shall solicit the written opinions of other affected state agencies, and these opinions shall be included as part of the board's report. Prior to adjournment of the regular legislative session in 1982, the governmental operations committees of the house and senate shall have evaluated the report and considered legislation in response thereto."

Strike the amendment to Page 1, line 12

Strike the title amendment to Page 1, line 4 and insert:

"Page 1, line 4, after "resources" insert "; requiring a study of environmental education activities of state agencies; amending Minnesota Statutes 1976, Section 116E.03, Subdivision 1"

The motion prevailed. So the amendment was adopted.

H. F. No. 1940 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 48 and nays 5, as follows:

Those who voted in the affirmative were:

Anderson	Gunderson	Laufenburger	Penny	Stokowski
Bang	Hanson	Lessard	Peterson	Strand
Benedict	Hughes	Luther	Schaaf	Stumpf
Bernhagen	Humphrey	Menning	Schmitz	Tennessen
Borden	Jensen	Moe	Setzepfandt	Ueland, A.
Brataas	Johnson	Nelson	Sieloff	Ulland, J.
Chenoweth	Keefe, J.	Nichols	Sillers	Vega
Dieterich	Keefe, S.	Ogdahl	Solon	Willet
Dunn	Knaak	Olhoft	Spear	
Gearty	Knoll	Olson	Staples	

Those who voted in the negative were:

Frederick	Knutson	McCutcheon	Merriam	Renneke
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So the bill, as amended, passed and its title was agreed to.

SPECIAL ORDER

H. F. No. 2044: A bill for an act relating to trees; clarifying

municipal costs eligible for reimbursement by the state; authorizing municipal subsidies to certain persons; requiring an investigation of uses of diseased wood; authorizing the transfer of certain trees purchased from the state; extending the special levy authority for sanitation and reforestation; clarifying utilization of appropriations for shade tree disease control; authorizing extension of temporary rules; amending Minnesota Statutes 1976, Sections 89.38 and 89.391; and Minnesota Statutes, 1977 Supplement, Sections 18.023, Subdivisions 3a, 4 and 11; and 275.50, Subdivision 6.

Mr. Luther moved to amend H. F. No. 2044, as amended pursuant to Rule 49, adopted by the Senate March 20, 1978, as follows:

(The text of the amended House File is identical to S. F. No. 1755.)

Page 2, lines 28 to 32, reinstate the stricken language

Page 2, line 32, after "minus" insert "115 percent of"

Page 3, line 1, reinstate the stricken language

Page 3, line 10, after "cost" insert ", up to \$80 per tree,"

Page 3, lines 13 to 15, strike the new language and reinstate the stricken language

Page 3, lines 20 and 21, strike the new language

Page 4, line 13, strike "20" and insert "15" and before "and" insert *"whose income as defined by section 290A.03, subdivision 3, does not exceed \$20,000 for the taxable year preceding the year in which the municipality provides the subsidy,"*

Page 6, line 8, strike "1979" and insert "1978" and strike "1980" and insert "1979"

Page 7, line 3, before "This" insert *"Section 1 of this act is effective January 1, 1979. Sections 2 to 8 of"* and strike "is" and insert "are"

Mr. Merriam requested division of the amendment as follows:

First portion:

Page 2, lines 28 to 32, reinstate the stricken language

Page 2, line 32, after "minus" insert "115 percent of"

Page 3, line 1, reinstate the stricken language

Page 3, lines 20 and 21, strike the new language

Second portion:

Page 3, line 10, after "cost" insert ", up to \$80 per tree,"

Third portion:

Page 3, lines 13 to 15, strike the new language and reinstate the stricken language

Fourth portion:

Page 4, line 13, strike "20" and insert "15" and before "and" insert *"whose income as defined by section 290A.03, subdivision 3, does not exceed \$20,000 for the taxable year preceding the year in which the municipality provides the subsidy,"*

Fifth portion:

Page 6, line 8, strike "1979" and insert "1978" and strike "1980" and insert "1979"

Page 7, line 3, before *"This"* insert *"Section 1 of this act is effective January 1, 1979. Sections 2 to 8 of"* and strike *"is"* and insert *"are"*

Mr. Merriam moved to amend the first portion of the Luther amendment to H. F. No. 2044 as follows:

Line 2 of the amendment, strike "115" and insert "125"

The motion did not prevail. So the amendment to the Luther amendment was not adopted.

Mr. Luther withdrew his amendment.

Mr. McCutcheon moved to amend H. F. No. 2044, as amended pursuant to Rule 49, adopted by the Senate March 20, 1978, as follows:

(The text of the amended House File is identical to S. F. No. 1755.)

Pages 1 to 5, strike sections 1 to 5

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, strike "clarifying municipal costs"

Page 1, strike lines 3 to 6

Page 1, line 7, strike "trees purchased from the state;"

Page 1, lines 12 and 13, strike "Minnesota Statutes 1976, Sections 89.38 and 89.391; and"

Page 1, line 14, strike "Sections" and insert "Section" and strike "18.023, Subdivisions 3a, 4 and 11; and"

Mr. McCutcheon divided his amendment as follows:

First portion:

Strike section 1

Renumber the sections in sequence

Amend the title as follows:

Line 2, strike "clarifying municipal costs"

Strike line 3

Line 14, strike "3a,"

The question was taken on the adoption of the first portion of the amendment.

The roll was called, and there were yeas 30 and nays 23, as follows:

Those who voted in the affirmative were:

Ashbach	Dunn	Knaak	Nichols	Setzepfandt
Bang	Engler	Lessard	Olson	Sillers
Bernhagen	Frederick	McCutcheon	Peterson	Solon
Chenoweth	Humphrey	Menning	Purfeerst	Stumpf
Coleman	Jensen	Moe	Renneke	Vega
Dieterich	Johnson	Nelson	Schaaf	Wegener

Those who voted in the negative were:

Benedict	Hughes	Knutson	Olhoff	Tennessee
Borden	Keefe, J.	Laufenburger	Schmitz	Ulland, J.
Brataas	Keefe, S.	Lewis	Sieloff	Willet
Gearty	Kleinbaum	Luther	Spear	
Gunderson	Knoll	Merriam	Staples	

The motion prevailed. So the first portion of the amendment was adopted.

Mr. McCutcheon withdrew the remainder of the amendment.

Mr. Luther moved to amend H. F. No. 2044, as amended pursuant to Rule 49, adopted by the Senate March 20, 1978, as follows:

(The text of the amended House File is identical to S. F. No. 1755.)

Page 4, line 13, strike "20" and insert "15" and before "and" insert *"whose income as defined by section 290A.03, subdivision 3, does not exceed \$20,000 for the taxable year preceding the year in which the municipality provides the subsidy,"*

The motion did not prevail. So the amendment was not adopted.

Mr. Luther then moved to amend H. F. No. 2044, as amended pursuant to Rule 49, adopted by the Senate March 20, 1978, as follows:

(The text of the amended House File is identical to S. F. No. 1755.)

Page 6, line 8, strike "1979" and insert "1978" and strike "1980" and insert "1979"

The motion prevailed. So the amendment was adopted.

H. F. No. 2044 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 44 and nays 13, as follows:

Those who voted in the affirmative were:

Anderson	Engler	Knaak	Ogdahl	Staples
Ashbach	Frederick	Knoll	Olhoff	Stokowski
Bang	Gearly	Lewis	Olson	Stumpf
Bernhagen	Hanson	Luther	Renneke	Ueland, A.
Borden	Hughes	McCutcheon	Schmitz	Ulland, J.
Brataas	Humphrey	Menning	Setzepfandt	Vega
Chmielewski	Jensen	Merriam	Sieloff	Wegener
Dieterich	Keefe, J.	Moe	Solon	Willet
Dunn	Keefe, S.	Nelson	Spears	

Those who voted in the negative were:

Gunderson	Knutson	Nichols	Purfeerst	Sillers
Johnson	Laufenburger	Penny	Schrom	Strand
Kleinbaum	Lessard	Peterson		

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

SPECIAL ORDER

S. F. No. 2237: A bill for an act proposing an amendment to the Minnesota Constitution, Article X, Section 7; permitting parimutuel betting on horse races if authorized by law.

Mr. Purfeerst moved that S. F. No. 2237 be stricken from the Special Orders Calendar and returned to the author. The motion prevailed.

SPECIAL ORDER

H. F. No. 1131: A bill for an act relating to public utilities; providing for representation of consumer interests in public utility matters by the consumer services section; appropriating money; amending Minnesota Statutes 1976, Section 45.16, Subdivision 1; and Chapter 45, by adding a section.

Mr. Chenoweth moved to amend H. F. No. 1131, as amended pursuant to Rule 49, adopted by the Senate March 21, 1978, as follows:

(The text of the amended House File is identical to S. F. No. 939.)

Page 3, line 20, strike "*may*" and insert "*shall*"

Page 3, line 24, after "*Reviewing*" insert "*and commenting upon*"

Page 3, line 26, strike "*section 2 of this act*" and insert "*this section*"

Page 3, line 27, strike "*of*" and insert "*and commenting upon*"

Page 3, line 30, strike "*five*" and insert "*nine*"

Page 3, line 31, after the period insert "*At least one member shall represent each congressional district, and at least two members shall represent farm consumers. No more than six members shall be members of the same political party.*"

Page 4, line 11, strike "approval" and insert "comment"

Page 4, line 15, after "board" insert "and the legislature"

Page 4, line 23, strike "upon" and insert "the day after"

Amend the title as follows:

Page 1, line 4, after the semicolon insert "creating a board of residential utility consumers;"

The motion prevailed. So the amendment was adopted.

Mr. Chenoweth then moved to amend H. F. No. 1131, as amended pursuant to Rule 49, adopted by the Senate March 21, 1978, as follows:

(The text of the amended House File is identical to S. F. No. 939.)

Page 4, line 18, delete the second "fund" and insert "section"

The motion prevailed. So the amendment was adopted.

Mr. Chenoweth then moved to amend H. F. No. 1131, as amended pursuant to Rule 49, adopted by the Senate March 21, 1978, as follows:

(The text of the amended House File is identical to S. F. No. 939.)

Page 2, line 23, after the period insert "*The consumer services section shall expend a reasonable portion of its efforts among all three kinds of utility services and shall identify and promote the needs of each class of residential consumers with respect to each of the utility services.*"

The motion prevailed. So the amendment was adopted.

H. F. No. 1131 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 47 and nays 2, as follows:

Those who voted in the affirmative were:

Anderson	Gunderson	Lessard	Peterson	Strand
Bernhagen	Hanson	Lewis	Purfeerst	Stumpf
Borden	Hughes	Luther	Schmitz	Ueland, A.
Brataas	Humphrey	McCutcheon	Schrom	Ulland, J.
Chenoweth	Johnson	Menning	Sieloff	Vega
Coleman	Keefe, S.	Merriam	Sikorski	Wegener
Dieterich	Kleinbaum	Nelson	Solon	Willet
Dunn	Knaak	Olhoft	Spear	
Engler	Knoll	Olson	Staples	
Gearity	Laufenburger	Penny	Stokowski	

Messrs. Jensen and Renneke voted in the negative.

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

Without objection, the Senate reverted to the Order of Business of Messages From the House.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of three members of the House, on the amendments adopted by the House to the following Senate File:

S. F. No. 2361: A bill for an act relating to peace officers; setting forth criteria for the use of deadly force by peace officers; amending Minnesota Statutes 1976, Sections 609.065; 629.33; and Chapter 609, by adding a section.

There has been appointed as such committee on the part of the House:

Nelson, Arlandson and McCarron.

Senate File No. 2361 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 23, 1978

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 1783.

H. F. No. 1783: A bill for an act relating to the city of Brainerd; service credit in the public employees police and fire fund for the fire chief therein.

And the House respectfully requests that a Conference Committee of three members be appointed thereon.

Samuelson, Patton and McCollar have been appointed as such committee on the part of the House.

House File No. 1783 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 23, 1978

Mr. Borden moved that the Senate accede to the request of the House for a Conference Committee on H. F. No. 1783, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. Coleman moved that H. F. No. 2098 be recalled from the House of Representatives in order that the Senate may discharge the present Senate Conferees and appoint a new Conference Committee. The motion prevailed.

RECESS

Mr. Coleman moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

APPOINTMENTS

Mr. Coleman from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

H. F. No. 1863: Messrs. Chenoweth, Schaaf, Ogdahl, Stumpf and Stokowski.

H. F. No. 1783: Messrs. Borden, Schaaf and Ogdahl.

Mr. Coleman moved that the foregoing appointments be approved. The motion prevailed.

RECESS

Mr. Coleman moved that the Senate do now recess until 2:30 o'clock p.m. The motion prevailed.

The hour of 2:30 o'clock p.m. having arrived, the President called the Senate to order.

CALL OF THE SENATE

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

Anderson	Engler	Knaak	Penny	Strand
Ashbach	Frederick	Laufenburger	Peterson	Stumpf
Bang	Gearty	Lessard	Purfeerst	Tennessee
Benedict	Gunderson	Lewis	Schmitz	Ulland, J.
Bernhagen	Hughes	Luther	Schrom	Vega
Borden	Johnson	Merriam	Solon	Wegener
Chmielewski	Keefe, S.	Nichols	Spear	Willet
Coleman	Kleinbaum	Olhoft	Stokowski	

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

Remaining on the Order of Business of Motions and Resolutions, Mr. Coleman moved to revert to the Order of Business of Messages From the House. The motion prevailed.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 2160.

H. F. No. 2160: A bill for an act relating to retirement; various retirement funds; placing a general limitation on public retirement annuities, requiring a study and report; defining a term for purposes of the correctional employees plan; providing a proportion-

ate annuity in certain instances; repealing a limitation on the average salary used for computing annuities; prospective discontinuation of the variable annuity program; modification in early retirement ages and reduction factors; increase in certain employee contributions; amending Minnesota Statutes 1976, Sections 352.116, Subdivision 1; 352.91, Subdivision 2; 353.30, Subdivisions 1 and 1b; 354.42, Subdivision 2; 354.44, Subdivisions 1, 6 and 7; 354.62, Subdivisions 1 and 2; and 354A.12; Chapters 354, by adding a section; and 356, by adding a section; and Minnesota Statutes, 1977 Supplement, Section 422A.32, Subdivision 2; repealing Minnesota Statutes 1976, Section 356.34, as amended.

And the House respectfully requests that a Conference Committee of three members be appointed thereon.

Beauchamp, Patton and Moe have been appointed as such committee on the part of the House.

House File No. 2160 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 23, 1978

Mr. Stokowski moved that the Senate accede to the request of the House for a Conference Committee on H. F. No. 2160, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 933.

H. F. No. 933: A bill for an act relating to Ramsey county; amending the Ramsey county code by rearranging certain provisions therein relating to welfare and by deleting obsolete provisions therein relating to welfare; amending Laws 1974, Chapter 435, Sections 1.0204 and 3.13.

And the House respectfully requests that a Conference Committee of three members be appointed thereon.

McCollar, Kostohryz and Osthoff have been appointed as such committee on the part of the House.

House File No. 933 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 23, 1978

Mr. Stumpf moved that the Senate accede to the request of the House for a Conference Committee on H. F. No. 933, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a

like Conference Committee appointed on the part of the House. The motion prevailed.

MOTIONS AND RESOLUTIONS—CONTINUED

S. F. No. 1106 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S. F. NO. 1106

A bill for an act relating to solid waste disposal; authorizing counties to prohibit transportation of solid waste to other counties for disposal; authorizing counties to designate disposal sites for solid waste generated within their boundaries; amending Minnesota Statutes 1976, Section 400.04, by adding a subdivision.

March 21, 1978

The Honorable Edward J. Gearty
President of the Senate

The Honorable Martin O. Sabo
Speaker of the House of Representatives

We, the undersigned conferees for S. F. No. 1106, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S. F. No. 1106 be further amended as follows:

Strike everything after the enacting clause and insert:

"Section 1. [PURPOSES; OBJECTIVES.] It is the goal of sections 1 to 6 to assemble the information necessary to identify, evaluate, and select among alternative policies, programs, technologies, institutional arrangements, and proposals designed to further the following purposes:

(a) Reduction in the volumes of solid and hazardous wastes generated and control of toxic substances produced and used in the state;

(b) Separation and recovery or pretreatment of solid and hazardous wastes at their point of generation;

(c) Recovery of materials and energy from solid and hazardous wastes;

(d) Coordination of decisions on the production of energy from solid and hazardous wastes with decisions on the production of energy from coal and from other recoverable residual materials such as sewage sludge and agricultural and timber residues; and

(e) Reduction in needless dependence on land disposal of solid and hazardous wastes.

The research under sections 1 to 6 shall be directed to help:

(i) Identify the most important unrealized potentials for accomplishing these purposes;

(ii) Identify the most important constraints or barriers which

are preventing the fuller realization of these potentials and which are amenable to government manipulation;

(iii) Identify, evaluate, and make recommendations on the costs, benefits, and priority of alternative government actions in the state to overcome the constraints and more fully realize the potentials and thereby to further the purposes.

Sec. 2. [GENERAL PROVISIONS.] Subdivision 1. [STATE PLANNING AGENCY; ADMINISTRATION; RELATED RESEARCH.] The director of the state planning agency shall be responsible for the preparation of the research design and coordinated work program under subdivision 3 and for research studies and reports undertaken by the agency or by interagency agreement pursuant thereto. The planning agency may contract with the pollution control agency or other appropriate state agencies for the performance of parts of the studies assigned by section 4, subdivision 3, and section 5, subdivision 2, subject to the approval of the joint legislative committee as provided in subdivision 2 of this section. The planning agency shall summarize, and if and where possible evaluate, laws, programs, and practices in other states relating to solid and hazardous waste and toxic substances. The agency, in cooperation with other units and agencies of government, shall identify available federal funding for research contemplated by sections 1 to 6. The agency shall evaluate the law and government procedures, practices, and responsibilities for planning, locating, reviewing, and regulating solid and hazardous waste disposal and processing facilities and sites and for ensuring public education and involvement and assessing community attitudes in such matters. The agency shall assess local and regional solid and hazardous waste plans and the relationship and coordination of such plans with the goals expressed in section 1 and shall study and recommend means of coordinating federal, state, and local laws and regulations, programs, program administration, and funding relating to solid and hazardous waste and toxic substances.

Subd. 2. [JOINT LEGISLATIVE COMMITTEE.] A joint legislative committee on solid and hazardous waste shall be established by April 15, 1978, and shall go out of existence by June 1, 1979, unless extended by legislative action.

The committee shall be composed of seven members of the house of representatives appointed by the speaker and seven members of the senate appointed by the majority leader. The committee shall elect a chairman from among its members.

The committee shall assist and advise the director of the planning agency and the other agencies responsible for research under sections 1 to 6 in designing the research program and projects, review the research in progress and the reports, and encourage and facilitate contribution and participation by interested individuals and organizations in the state. The committee shall have authority to approve the research design and work program and any reassignment by the planning agency of parts of studies assigned by section 4, subdivision 3, and section 5,

subdivision 2. The joint science and technology staff of the legislature shall serve as staff to the committee.

Subd. 3. [WORK PROGRAM.] By June 15, 1978 the planning agency shall submit a coordinated research design and work program for projects under sections 1 to 6 for review by the joint committee. The research design and work program shall be prepared after consultation with the responsible agencies, the joint science and technology staff of the legislature, and the committee. The research design and work program shall be based upon and shall proceed from preliminary research studies by the joint science and technology staff, particularly studies relating to decision models for resource recovery facilities. The work program shall include provisions for review by the committee of work in progress and agency reports.

Sec. 3. [REPORTS; PURPOSE; GENERAL CONTENT.] The agencies responsible for research under sections 1 to 6 shall submit their research reports to the planning agency by January 1, 1979. By March 1, 1979, the planning agency shall present a report to the legislature on the results of research undertaken pursuant to sections 1 to 6. The report of the planning agency to the legislature shall include the research reports of the planning agency and the other agencies; a general assessment and evaluation of the research program; and recommendations on the continuation and extension of the planning, research, and analysis contemplated by sections 1 to 6. The reports may also recommend strategies; priorities; policies; changes in government structures, responsibilities, and procedures; program development; or other legislative actions related to the research contemplated by sections 1 to 6.

Sec. 4. [NONHAZARDOUS SOLID WASTE RESEARCH PROJECTS.] Subdivision 1. [ENERGY AGENCY.] The planning agency shall contract with the energy agency to perform research studies directed to:

(a) Produce recommendations for relating decisions in the metropolitan area on resource recovery facilities to decisions on coal conversion, co-generation, and district heating;

(b) Develop a model or method for relating decisions in the state on resource recovery facilities, the production of energy from sewage sludge and agricultural and timber residues, coal conversion, co-generation, and district heating; determine the availability of data necessary to apply the model in standard metropolitan statistical areas of the state; and, if possible, test the model.

Subd. 2. [POLLUTION CONTROL AGENCY.] The planning agency shall contract with the pollution control agency to perform research studies directed to:

(a) Develop a profile of solid waste generation and disposal in the state in sufficient detail and reliability at least to identify the boundaries of existing waste sheds of sufficient volume and density to support resource recovery facilities;

(b) Assess the feasibility and effects of alternative methods for recovering and recycling resources from solid waste, including alternative separation and collection systems, coordinated marketing, transportation cost, satellite facilities and transfer stations, refuse derived fuel, ecofuel, small resource recovery facilities, and the use of sewage sludge as a fertilizer;

(c) Identify land disposal sites of municipal solid waste which may threaten to contaminate groundwater or surface water and develop recommendations for a program to establish priorities for and estimates of the costs of the restoration of such sites or the abatement of such threats.

Subd. 3. [PLANNING AGENCY.] The planning agency shall perform research studies directed to:

(a) Develop and test a model or method for evaluating proposals for resource recovery facilities and alternatives thereto, incorporating at least the following factors: (i) identification, analysis, and control of markets for any products recovered from waste; (ii) identification and control of the waste necessary for economic operation; (iii) identification of risks, reduction of risks, and explicit assignment of risks, financial responsibility, and liability; (iv) facility location and capacity; (v) alternative technologies; (vi) environmental impact; (vii) capital and operating costs; (viii) financing alternatives and alternative allocations of costs among users and the general public; (ix) legal and institutional requirements; (x) effects on collection and disposal practices and costs;

(b) Produce recommendations on the nature and purposes of any state program of encouragement or assistance to resource recovery facilities;

(c) Produce recommendations for encouraging or requiring state and local government and regional agencies to reduce the amount of solid waste they generate and, wherever markets exist or may be developed, to separate and recover more recyclable waste at the point of generation;

(d) Produce recommendations for encouraging or requiring specific changes in the materials procurement practices and policies of state and local government and regional agencies which will serve to (i) ensure consideration of recyclability and (ii) develop and ensure government markets in the state for products made of recovered waste materials;

(e) Produce recommendations for further research on markets and the development of markets for recovered materials;

(f) Produce recommendations for encouraging or requiring methods to reduce the volumes of solid waste generated, by encouraging reuse of products, reductions in material and energy used in products, and increases in product lifetimes;

(g) Examine whether a conflict exists between the goals of source reduction and resource recovery.

Sec. 5. [HAZARDOUS WASTES RESEARCH PROJECTS.]
Subdivision 1. [POLLUTION CONTROL AGENCY.] The planning agency shall contract with the pollution control agency to perform research studies directed to:

(a) Assess access to and cost of disposal and treatment processes at hazardous waste facilities located within and outside the state;

(b) Identify alternative methods and processes for reducing the generation of hazardous wastes, for separating and recovering or pretreating categories of hazardous wastes at the point of generation and for separating and recovering, treating, or disposing of categories of hazardous wastes at facilities separated from the point of generation;

(c) Identify hazardous waste land disposal sites which may threaten to contaminate groundwater or surface water and develop recommendations for a program to establish priorities for and estimates of the costs of the restoration of such sites or the abatement of such threats;

(d) Produce recommendations for implementing and enforcing the proposed hazardous waste regulations, including: (i) guidelines for evaluating the role and performance of state, regional, and local agencies in implementing and enforcing the regulations and analyzing data; (ii) education, training, and technical assistance programs for generators of hazardous waste and for regulatory and enforcement officials; (iii) improvements in technical resources and procedures for data analysis; (iv) methods of relating information produced under the regulations to the development of programs to accomplish the purposes of section 1;

(e) Summarize available information on the generation, processing, and disposal of hazardous waste; evaluate the appropriateness and adequacy of the information to the purposes of section 1; and recommend any necessary data gathering devices supplementary to the proposed regulations.

Subd. 2. [PLANNING AGENCY.] The planning agency shall perform research studies directed to:

(a) Assess the effect of existing and proposed federal and state law and regulations affecting the treatment and disposal of hazardous wastes and toxic substances on: (i) the volume and types of hazardous waste and waste sludges generated in the state; (ii) the economic feasibility and use of practices and processes by generators to reduce the generation of hazardous waste and to separate and recover or pretreat the waste at the point of generation; and (iii) the control of toxic substances;

(b) Assess the need for and means of developing hazardous waste treatment, processing, and disposal schemes and capabilities within the state, based on goals relating at least to the following: (i) technical feasibility; (ii) alternative technologies; (iii) anticipation of future technical developments; (iv) capital

and operating costs and allocation thereof; (v) availability of similar facilities outside the state; (vi) volume and properties of the waste; (vii) reclamation and reuse of materials and energy in the waste; (viii) environmental impact; (ix) siting and land use; (x) public education and participation; (xi) operation and ownership; (xii) liability and long term care; (xiii) encouragement of generators and private processors to reduce the volumes of hazardous waste generated and to separate and recover or pretreat the waste at the point of generation; and (xiv) transportation costs and safety;

(c) Produce recommendations on methods and institutional arrangements by which this state and surrounding states may develop the capacity to plan for and manage hazardous waste control problems cooperatively and share reciprocally the burdens of treatment and disposal of hazardous waste.

Sec. 6. [APPROPRIATIONS.] Subdivision 1. There is appropriated from the general fund to the state planning agency the sum of \$225,000 for expenditure pursuant to sections 1 to 6. Of this amount, \$25,000 shall be available to the energy agency; \$65,000 shall be available to the pollution control agency; and \$135,000 shall be available to the state planning agency for general administration and research or research contracts.

Subd. 2. There is appropriated from the general fund to the legislative coordinating commission the sum of \$25,000 for expenditure for the joint science and technology project pursuant to section 2 for staff and consultant services for preparation of preliminary research studies and research design and to secure expertise in advanced technology in resource recovery, hazardous waste, and toxic substances necessary to advise the joint legislative committee and the agencies.

Subd. 3. The appropriations in this section shall be available until June 30, 1979. The complements of the following agencies are increased by the number of positions listed below. The positions are in the unclassified service and their continuation is contingent upon the availability of money from this appropriation.

state planning—3
pollution control—2
energy—1

Sec. 7. [HAZARDOUS WASTE FACILITY.] Site selection, design, acquisition, and construction for any hazardous waste facility by the metropolitan waste control commission under the authority of section 473.516 or under a federal environmental protection agency demonstration grant to the pollution control agency shall not proceed further except after completion of the reports on hazardous wastes required by sections 1 to 6 of this act, in conformance with the purposes expressed in section 1 of this act, and after reevaluation of site selection criteria and associated environmental and design studies in light of the re-

ports required and purposes expressed by sections 1 to 6 of this act.

Sec. 8. [COUNTY DESIGNATION OF SOLID WASTE FACILITY.] Except within the metropolitan area defined in section 473.121 and except within the jurisdiction of any special district which has the authority to designate facilities for the disposal of solid waste generated in an area transcending county boundaries, any county may require that all or any portion of the solid waste generated within the boundaries of the county or any service area thereof, be disposed of at a facility designated by the board, provided that the county board has developed and approved by resolution a solid waste program which includes criteria for the selection of solid waste facilities to be used by the county and provided that the designation be limited to a period not extending beyond June 30, 1980. The authority granted by this section shall expire on June 30, 1980.

Sec. 9. [EFFECTIVE DATE.] This act is effective the day following final enactment."

Further amend the title to read as follows:

"A bill for an act relating to solid and hazardous wastes and toxic substances; providing for technology assessments and related research directed to certain goals; requiring studies and reports by the state planning agency, the pollution control agency, and the energy agency; establishing a temporary joint legislative committee on solid and hazardous waste; appropriating money; suspending development of a hazardous waste facility; authorizing counties to designate disposal sites for solid waste generated within county boundaries."

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) Howard D. Olson, Carl R. Jensen, Timothy J. Penny.

House Conferees: (Signed) A. J. Eckstein, James R. Casserly, James C. Pehler.

Mr. Olson moved that the foregoing recommendations and Conference Committee Report on S. F. No. 1106 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S. F. No. 1106: A bill for an act relating to solid waste disposal; authorizing counties to prohibit transportation of solid waste to other counties for disposal; authorizing counties to designate disposal sites for solid waste generated within their boundaries; amending Minnesota Statutes 1976, Section 400.04, by adding a subdivision.

Was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 52 and nays 1, as follows:

Those who voted in the affirmative were:

Anderson	Dunn	Kleinbaum	Olson	Strand
Ashbach	Engler	Knaak	Penny	Stumpf
Bang	Frederick	Laufenburger	Peterson	Tennessen
Benedict	Gearty	Lessard	Purfeerst	Ueland, A.
Bernhagen	Gunderson	Lewis	Setzepfandt	Ulland, J.
Borden	Hughes	Luther	Sieloff	Vega
Brataas	Humphrey	Menning	Sillers	Wegener
Chenoweth	Jensen	Merriam	Solon	Willet
Chmielewski	Johnson	Moe	Spear	
Coleman	Keefe, J.	Ogdahl	Staples	
Dieterich	Keefe, S.	Olhoff	Stokowski	

Mr. Renneke voted in the negative.

So the bill, as amended by the Conference Committee, was re-passed and its title was agreed to.

Without objection, the Senate reverted to the Order of Business of Messages From the House.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 1943 and repassed said bill in accordance with the report of the Committee, so adopted.

H. F. No. 1943: A bill for an act relating to fire and related insurance; permitting cancellation of fire and related insurance policies only under certain circumstances; requiring notice of reason for cancellation or nonrenewal; amending Minnesota Statutes 1976, Section 65A.01, by adding subdivisions.

House File No. 1943 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 23, 1978

CONFERENCE COMMITTEE REPORT ON H. F. NO. 1943

A bill for an act relating to fire and related insurance; permitting cancellation of fire and related insurance policies only under certain circumstances; requiring notice of reason for cancellation or nonrenewal; amending Minnesota Statutes 1976, Section 65A.01, by adding subdivisions.

March 20, 1978

The Honorable Martin O. Sabo
Speaker of the House of Representatives

The Honorable Edward J. Gearty
President of the Senate

We, the undersigned conferees for H. F. No. 1943, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and H. F. No. 1943 be amended as follows:

Strike everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1976, Section 65A.01, Subdivision 1, is amended to read:

65A.01 [MINNESOTA STANDARD FIRE INSURANCE POLICY.] Subdivision 1. [DESIGNATION AND SCOPE.] The printed form of a policy of fire insurance, as set forth in subdivision 3 and section 2 of this act, shall be known and designated as the "Minnesota Standard Fire Insurance Policy" to be used in the state of Minnesota. No policy or contract of fire insurance shall be made, issued or delivered by any insurer including reciprocals or inter-insurance exchanges or any agent or representative thereof, on any property in this state, unless it shall provide the specified coverage and conform as to all provisions, stipulations, and conditions, with such form of policy, except as provided in section 65A.-06. Any policy or contract otherwise subject to the provisions of this subdivision and, subdivision 3 and section 2 of this act which includes either on an unspecified basis as to coverage or for a single premium, coverage against the peril of fire and coverage against other perils may be issued without incorporating the exact language of the Minnesota Standard Fire Insurance Policy, provided: Such policy or contract shall, with respect to the peril of fire, afford the insured all the rights and benefits of the Minnesota Standard Fire Insurance Policy and such additional benefits as the policy provides; the provisions in relation to mortgagee interests and obligations in said Minnesota Standard Fire Insurance Policy shall be incorporated therein without change; such policy or contract is complete as to its terms of coverage; and, the commissioner is satisfied that such policy or contract complies with the provisions hereof.

Sec. 2. Minnesota Statutes 1976, Section 65A.01, is amended by adding a subdivision to read:

Subd. 3a. (1) There shall be printed in the policy or an endorsement attached to the policy a printed form in the following words:

When this policy has been issued to cover buildings used for residential purposes other than a hotel or motel and has been in effect for at least six months, or if it has been renewed, this policy shall not be cancelled, except for one or more of the following reasons which shall be stated in the notice of cancellation:

(a) *Nonpayment of premium;*

(b) *Misrepresentation or fraud made by or with the knowledge of the insured in obtaining the policy or in pursuing a claim thereunder;*

(c) *An act or omission of the insured which materially increases the risk originally accepted;*

(d) Physical changes in the insured property which are not corrected or restored within a reasonable time after they occur and which result in the property becoming uninsurable; or

(e) Nonpayment of dues to an association or organization, other than an insurance association or organization, where payment of dues is a prerequisite to obtaining or continuing the insurance. Provided, however, that this limitation on cancellation shall not apply to additional coverages in a divisible policy, other than a policy of fire and extended coverage insurance. If this company cancels the additional coverages, it may issue a new, separate fire policy at a premium calculated on a pro rata basis for the remaining period of the original policy.

(2) The provisions of clause (1) (e) shall not be included in the language of the policy or endorsement unless the payment of dues to an association or organization, other than an insurance association or organization, is a prerequisite to obtaining or continuing the insurance.

Sec. 3. Minnesota Statutes 1976, Section 65A.01, is amended by adding a subdivision to read:

Subd. 6. When policies covered by section 65A.01 are subject to limitations or cancellation as provided in section 2 of this act, the notice of cancellation shall include a statement of the reason for cancellation in a sufficiently clear and specific form so that an insured of reasonable intelligence will be able to identify the basis for the company's cancellation without making further inquiry."

Further, amend the title as follows:

Page 1, line 7, after the comma insert "Subdivision 1, and"

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Ken G. Nelson, Glen H. Anderson, O. J. Heinitz

Senate Conferees: (Signed) Steve Keefe, Allan H. Spear, Otto T. Bang, Jr.

Mr. Keefe, S. moved that the foregoing recommendations and Conference Committee Report on H. F. No. 1943 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H. F. No. 1943: A bill for an act relating to fire and related insurance; permitting cancellation of fire and related insurance policies only under certain circumstances; requiring notice of reason for cancellation or nonrenewal; amending Minnesota Statutes 1976, Section 65A.01, Subdivision 1, and by adding subdivisions.

Was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 51 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Gearty	Lessard	Purfeerst	Strand
Ashbach	Gunderson	Lewis	Renneke	Tennessen
Bang	Hughes	Luther	Schaaf	Ueland, A.
Benedict	Humphrey	Menning	Schmitz	Ulland, J.
Bernhagen	Jensen	Merriam	Setzepfandt	Vega
Brataas	Johnson	Moe	Sieloff	Wegener
Chmielewski	Keefe, J.	Ogdahl	Sillers	Willet
Coleman	Keefe, S.	Olhoff	Solon	
Dieterich	Kleinbaum	Olson	Spear	
Dunn	Knaak	Penny	Staples	
Engler	Laufenburger	Peterson	Stokowski	

So the bill, as amended by the Conference Committee, was re-passed and its title was agreed to.

Pursuant to Rule 21, Mr. Strand moved that the following members be excused for a Conference Committee on H. F. No. 1861:

Messrs. Strand, Ogdahl and Stokowski. The motion prevailed.

MESSAGES FROM THE HOUSE—CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 1950 and re-passed said bill in accordance with the report of the Committee, so adopted.

H. F. No. 1950: A bill for an act relating to the practice of dentistry; amending Minnesota Statutes 1976, Sections 150A.03, Subdivision 1; 150A.06, Subdivisions 1, 2, 2a, and 4; 150A.08, Subdivision 1; and 150A.09, by adding subdivisions.

House File No. 1950 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives
Transmitted March 23, 1978

CONFERENCE COMMITTEE REPORT ON H. F. NO. 1950

A bill for an act relating to the practice of dentistry; amending Minnesota Statutes 1976, Sections 150A.03, Subdivision 1; 150A.06, Subdivisions 1, 2, 2a, and 4; 150A.08, Subdivision 1; and 150A.09, by adding subdivisions.

March 17, 1978

The Honorable Martin O. Sabo
Speaker of the House of Representatives

The Honorable Edward J. Gearty
President of the Senate

We, the undersigned conferees for H. F. No. 1950, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and H. F. No. 1950 be amended as follows:

Page 2, line 23, delete "*this*" and insert "*the*"

Page 3, line 7, after "*to*" insert "*Minnesota Statutes,*"

Page 3, line 18, after "*may*" strike the comma

Page 4, line 5, before "*chapter*" insert "*Minnesota Statutes,*"

Page 5, line 9, after "*to*" insert "*Minnesota Statutes,*"

Page 7, line 18, after "*examinations*" insert "*of individual dentists, dental hygienists or registered dental assistants if in the opinion of the board it is reasonably necessary,*"

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Thomas R. Berkelman, James C. Swanson, Richard E. Wigley

Senate Conferees: (Signed) Roger E. Strand, Jerome Gunderson, Nancy Brataas

Mr. Strand moved that the foregoing recommendations and Conference Committee Report on H. F. No. 1950 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H. F. No. 1950: A bill for an act relating to the practice of dentistry; amending Minnesota Statutes 1976, Sections 150A.03, Subdivision 1; 150A.06, Subdivisions 1, 2, 2a, and 4; 150A.08, Subdivision 1; and 150A.09, by adding subdivisions.

Was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 51 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Frederick	Laufenburger	Peterson	Strand
Ashbach	Gearty	Lessard	Purfeerst	Tennessen
Bang	Gunderson	Lewis	Renneke	Ueland, A.
Benedict	Hughes	Luther	Schaaf	Ulland, J.
Bernhagen	Humphrey	Menning	Schmitz	Vega
Borden	Jensen	Merriam	Setzepfandt	Wegener
Brataas	Johnson	Moe	Sillers	Willet
Chenoweth	Keefe, J.	Ogdahl	Solon	
Chmielewski	Kleinbaum	Olhoff	Spear	
Dieterich	Knaak	Olson	Staples	
Engler	Knoll	Penny	Stokowski	

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

MESSAGES FROM THE HOUSE—CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 1744 and repassed said bill in accordance with the report of the Committee, so adopted.

H. F. No. 1744: A bill for an act relating to mobility disabled persons; requiring installation and use of wheelchair securement devices in vehicles used for transporting wheelchair users; providing for inspection of wheelchair securement devices; requiring other safety measures in vehicles used for transporting wheelchair users; authorizing the admissibility of certain evidence in litigation; providing penalties.

House File No. 1744 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 23, 1978

CONFERENCE COMMITTEE REPORT ON H. F. NO. 1744

A bill for an act relating to mobility disabled persons; requiring installation and use of wheelchair securement devices in vehicles used for transporting wheelchair users; providing for inspection of wheelchair securement devices; requiring other safety measures in vehicles used for transporting wheelchair users; authorizing the admissibility of certain evidence in litigation; providing penalties.

March 20, 1978

The Honorable Martin O. Sabo
Speaker of the House of Representatives

The Honorable Edward J. Gearty
President of the Senate

We, the undersigned conferees for H. F. No. 1744, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H. F. No. 1744 be amended as follows:

Strike everything after the enacting clause and insert:

"Section 1. [DEFINITIONS.] The following terms have the definitions given them for the purposes of sections 1 to 8:

(a) "Wheelchair securement device" or "securement device" means an apparatus installed in a motor vehicle for the purpose of securing an occupied wheelchair into a location in the vehicle and preventing movement of that wheelchair while the vehicle is in motion.

(b) "Operator" means any person, firm, partnership, corporation, service club, public or private agency, city, town or county. The provisions of this act shall not apply to any school bus as defined in Minnesota Statutes, Section 169.01, Subdivision 6, which is subject to regular school bus inspections pursuant to Minnesota Statutes, Section 169.451.

(c) "Transportation service" means the transportation by motor vehicle of any sick, injured, invalid, incapacitated, or handicapped individual while occupying a wheelchair, which transportation is offered or provided by any operator to the public or to its employees or in connection with any other service offered by the operator including schooling or nursing home, convalescent or child care services.

Sec. 2. [WHEELCHAIR SECUREMENT DEVICES.] Subdivision 1. Any vehicle used by an operator to provide transportation service shall be equipped with wheelchair securement devices which are approved by the commissioner of public safety as meeting the specifications of this subdivision. A wheelchair securement device shall prevent any forward, backward or lateral movement of an occupied wheelchair when the device is engaged and the vehicle is in motion, accelerating or braking, and shall attach to the frame of the wheelchair without damaging it. Wheelchair securement devices installed in any vehicle shall be maintained in working order.

Subd. 2. A vehicle used to provide transportation service shall carry only as many persons seated in wheelchairs as the number of securement devices approved by the commissioner of public safety as meeting the specifications of subdivision 1 with which the vehicle is equipped, and each occupied wheelchair shall be secured by such a securement device before the vehicle is set in motion.

Sec. 3. [ADDITIONAL SAFETY REQUIREMENTS.] Subdivision 1. Any vehicle used to provide transportation service shall be equipped with seat belts which are approved by the commissioner of public safety. The seat belts required by this subdivision shall be adequate to secure the occupant of a wheelchair who is being transported by the vehicle. These seat belts shall be used only to secure the person and shall not be used to secure the wheelchair. The seat belts shall meet all other applicable state and federal requirements for safety.

Subd. 2. When transportation service is provided to an individual in an electrically powered wheelchair, the main power switch of the wheelchair shall be placed in the "off" position at all times while the vehicle is in motion.

Sec. 4. [INSPECTION.] Subdivision 1. No person shall drive and no operator shall knowingly permit or cause a vehicle to be used for transportation service unless there is displayed thereon a certificate issued upon inspection by the commissioner of public safety as provided in this section.

Subd. 2. Inspection shall be made by personnel in the department of public safety assigned to the highway patrol. An operator

of transportation services shall submit a vehicle for inspection after the installation of a wheelchair securement device in the vehicle and before using the vehicle for transportation service, but not later than one month after the date of installation. Evidence of the date of installation shall be provided by the operator at the inspection.

Subd. 3. The inspection shall be made to determine that the vehicle complies with the provisions of section 2, subdivision 1 and section 3, subdivision 1; that the securement device is in working order; and that the securement device is not in need of obvious repair. The inspection may include testing the use of a securement device while the vehicle is in motion.

Subd. 4. A certificate furnished by the commissioner shall be issued upon completion of inspection if the vehicle complies with the requirements set forth in subdivision 3. The certificate shall be affixed to the lower left corner of the windshield. It shall note compliance with this section, record the number of wheel chairs which may be simultaneously carried in the vehicle, and note the month and year in which the next inspection is required.

Subd. 5. Subsequent inspections shall be made annually. If additional securement devices are installed in a vehicle already equipped with a securement device, inspection is required as specified in subdivision 2.

Sec. 5. No agency of the state, political subdivision or other public agency shall grant or approve any financial assistance to any operator for the purchase or operation of any vehicle used for transportation service or grant any permit or license otherwise required by law for operation of that service unless the operator of the transportation service complies with the provisions of sections 1 to 4.

Sec. 6. [EVIDENCE.] Proof of the installation or failure to install wheelchair securement devices, or proof of faulty installation of wheelchair securement devices, or proof of the maintenance or failure to properly maintain wheelchair securement devices, or proof of the use or failure to use wheelchair securement devices is admissible in evidence in any litigation involving personal injuries or property damage arising out of the use or operation of a vehicle providing transportation service. For the purposes of this section "wheelchair securement device" means such a device approved by the commissioner of public safety.

Sec. 7. [PENALTY.] For each failure to comply with any requirement of sections 2, 3 or 4 an operator is guilty of a misdemeanor.

Sec. 8. [RULES; APPROVAL OF DEVICES.] The commissioner of public safety shall, no later than July 1, 1979, adopt rules containing standards for wheelchair securement devices that meet the requirements of section 2, subdivision 1, and section 3, subdivision 1, and shall approve or disapprove of securement devices that meet those standards.

Sec. 9. [SCHOOL BUSES; AMENDMENT OF RULES.] Upon adoption of rules by the commissioner of public safety pursuant to section 8, the state board of education shall amend its rules relating to the transportation of handicapped students to ensure that the amended rules carry out the intent of this act.

Sec. 10. [EFFECTIVE DATE.] This act is effective the day following final enactment."

Further, delete the title and insert:

"A bill for an act relating to mobility disabled persons; requiring installation and use of wheelchair securement devices in vehicles used for transporting wheelchair users; providing for inspection of wheelchair securement devices; requiring other safety measures in vehicles used for transporting wheelchair users; directing the commissioner of public safety to adopt rules and to approve devices required by the act; directing the state board of education to amend its rules for handicapped transportation; authorizing the admissibility of certain evidence in litigation; providing penalties."

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Thomas Berkelman, John Brandl, O. J. Heinitz

Senate Conferees: (Signed) Jerome Gunderson, Jim Nichols, Delores Knaak

Mr. Gunderson moved that the foregoing recommendations and Conference Committee Report on H. F. No. 1744 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H. F. No. 1744: A bill for an act relating to mobility disabled persons; requiring installation and use of wheelchair securement devices in vehicles used for transporting wheelchair users; providing for inspection of wheelchair securement devices; requiring other safety measures in vehicles used for transporting wheelchair users; directing the commissioner of public safety to adopt rules and to approve devices required by the act; directing the state board of education to amend its rules for handicapped transportation; authorizing the admissibility of certain evidence in litigation; providing penalties.

Was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 51 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Borden	Engler	Hughes	Keefe, S.
Ashbach	Chenoweth	Frederick	Humphrey	Kleinbaum
Bang	Chmielewski	Gearty	Jensen	Knaak
Benedict	Dieterich	Gunderson	Johnson	Laufenburger
Bernhagen	Dunn	Hanson	Keefer, J.	Lesser

Lewis	Olhoff	Schaaf	Solon	Vega
Luther	Olson	Schmitz	Spear	Willet
McCutcheon	Penny	Schrom	Staples	
Menning	Peterson	Setzepfandt	Tennessen	
Merriam	Purfeerst	Sieloff	Ueland, A.	
Moe	Renneke	Sillers	Ulland, J.	

So the bill, as amended by the Conference Committee, was re-passed and its title was agreed to.

MESSAGES FROM THE HOUSE—CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 2261 and repassed said bill in accordance with the report of the Committee, so adopted.

H. F. No. 2261: A bill for an act relating to energy; changing the powers of the Minnesota energy agency; implementing certain residential energy efficiency standards; establishing insulation product and application standards; prescribing penalties; appropriating money; amending Minnesota Statutes 1976, Section 116H.08; and Minnesota Statutes, 1977 Supplement, Section 116H.129, Subdivision 1, and by adding subdivisions.

House File No. 2261 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 23, 1978.

CALL OF THE SENATE

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

Anderson	Engler	Knaak	Penny	Staples
Ashbach	Frederick	Knoll	Purfeerst	Tennessen
Bang	Gearly	Laufenburger	Renneke	Ueland, A.
Benedict	Gunderson	Lessard	Schaaf	Ulland, J.
Bernhagen	Hanson	McCutcheon	Schrom	Vega
Borden	Hughes	Menning	Setzepfandt	Willet
Chenoweth	Humphrey	Merriam	Sieloff	
Chmielewski	Jensen	Moe	Sillers	
Dieterich	Johnson	Olhoff	Solon	
Dunn	Kleinbaum	Olson	Spear	

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

CONFERENCE COMMITTEE REPORT ON H. F. NO. 2261

A bill for an act relating to energy; changing the powers of the Minnesota energy agency; implementing certain residential energy efficiency standards; establishing insulation product and application standards; prescribing penalties; appropriating money; amending Minnesota Statutes 1976, Section 116H.08; and Minnesota Statutes, 1977 Supplement, Section 116H.129, Subdivision 1, and by adding subdivisions.

March 21, 1978

The Honorable Martin O. Sabo
Speaker of the House of Representatives

The Honorable Edward J. Gearty
President of the Senate

We, the undersigned conferees for H. F. No. 2261, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and H. F. No. 2261 be amended as follows:

Strike everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1976, Section 116H.08, is amended to read:

116H.08 [POWERS.] The director may:

(a) Adopt rules and regulations, pursuant to chapter 15 necessary to carry out the purposes of sections 116H.01 to 116H.15;

(b) Make all contracts pursuant to sections 116H.01 to 116H.15 and do all things necessary to cooperate with the United States government, and to qualify for, accept and disburse any private grant intended for the administration of sections 116H.01 to 116H.15. Notwithstanding any other law the agency is designated the state agency to apply for, receive and accept federal or other funds made available to the state for the purposes of sections 116H.01 to 116H.15.

(c) Contract for professional services if such work or services cannot be satisfactorily performed by employees of the agency or by any other state agency;

(d) Enter into interstate compacts to jointly carry out such research and planning with other states or the federal government where appropriate;

(e) Distribute informational material at no cost to the public upon reasonable request.

Sec. 2. Minnesota Statutes, 1977 Supplement, Section 116H.129, Subdivision 1, is amended to read:

116H.129 [ENERGY CONSERVATION STANDARDS FOR EXISTING RESIDENCES.] Subdivision 1. Before January 1, 1978 1979, the commissioner of administration, in consultation with the director and the appropriate standing committees of the legislature, shall promulgate minimum energy efficiency standards for existing residential buildings residences. The standards shall be economically feasible in that the resultant savings in energy procurement costs, based on current and projected average residential energy costs in Minnesota as certified by the director in the state register, will exceed the cost of the energy conserving requirements amortized over a period of five years the five-year period subsequent to the incurring of such cost. The costs computed under this section shall include reasonable inflation and interest factors.

By February 15, 1978, the director shall make recommendations to the legislature on methods to obtain compliance with the standards set forth in this subdivision.

Sec. 3. Minnesota Statutes, 1977 Supplement, Section 116H.129, is amended by adding subdivisions to read:

Subd. 2. For the purposes of subdivisions 3 to 7, the following terms shall have the meanings given them.

(a) "Residence" means any dwelling for habitation either seasonally, meaning all or a portion of the months of December through March, or permanently by one or more persons. A residence may be owned or rented and may be part of a multi-dwelling or multi-purpose building, but shall not include buildings such as hotels, hospitals, motels, dormitories, sanitariums, nursing homes, schools and other buildings used for educational purposes, or correctional institutions. A mobile home as defined in section 168.011, subdivision 8, shall be a residence for purposes of this section.

(b) "Time of sale" means the time when a written purchase agreement is executed by the buyer, or, in the absence of a purchase agreement, at the time of the execution of any document providing for the conveyance of a residence.

(c) "Energy disclosure report" means the written and signed evaluation by a person certified pursuant to subdivision 6 of this section made on an approved form, representing to the actual buyer of the residence evaluated that the evaluator has used reasonable care and diligence, and has found no instance of non-compliance with the items contained on the approved form as of the date thereon except as specifically designated.

(d) "Applicable energy efficiency standards" means those standards established under subdivision 1 which are not shown to be economically infeasible for the building in question.

Subd. 3. [ENERGY CONSERVATION FOR RENTAL PROPERTY.] Effective January 1, 1980, all residences constructed prior to January 1, 1976, which are renter-occupied during all or a portion of the months of November through April shall be in compliance with standards pursuant to subdivision 1 pertaining to caulking and weatherstripping of exterior joints and sealing of other openings in the building envelope. Effective July 1, 1983, all residences which are renter-occupied during all or a portion of the months of November through April shall be in compliance with all applicable energy efficiency standards.

Subd. 4. [INSPECTIONS.] The energy agency shall conduct inspections on a random basis for compliance with the provisions of subdivision 3 of this section.

Subd. 5. [RESIDENTIAL ENERGY DISCLOSURE PROGRAM.] By March 1, 1979, the commissioner of administration, in consultation with the director of the energy agency and the appropriate standing committees of the legislature, shall promulgate rules providing for residential energy disclosure requirements

and shall approve forms for the purposes of this subdivision. The rules and forms shall provide only for the disclosure of structural characteristics, energy use characteristics relating to energy consumption and conservation, and the extent of compliance with standards adopted pursuant to section 116H.129, subdivision 1. Nothing in the forms shall indicate or be deemed to indicate that the residence meets all state building code specifications.

Subd. 6. [BUILDING EVALUATORS.] By August 1, 1979, the commissioner of administration shall certify evaluators in each county of the state who are qualified to determine the compliance of a residence with applicable energy disclosure requirements. The commissioner of administration shall, by rule pursuant to chapter 15, establish standards for the certification and performance of evaluators and set a fee for the certification of evaluators which is sufficient to cover the ongoing costs of the program once it is established. The commissioner shall encourage the certification of existing groups of trained municipal personnel and individuals from public service organizations. Effective August 1, 1979, each certified evaluator shall, on request of the owner, inspect any residence and report the degree to which it complies with applicable energy disclosure requirements. The inspections shall be made within 30 days of the request.

Subd. 7. [DISCLOSURE REPORT.] Effective October 1, 1979, no owner or agent shall sell by conveyance or contract for conveyance a residence constructed before January, 1976, without providing to the buyer, prior to the time of sale, a copy of an energy disclosure report for the residence unless the buyer has been provided a copy of the form used in making an energy disclosure report and has declared in writing that he waives his right to a report. If the residence has been evaluated subsequent to the effective date of this section, no new evaluation shall be required for five years after the date of the evaluation, if a copy of the last evaluation has been delivered to the prospective buyer. The provisions of this subdivision shall not apply to the sale or conveyance of any residence to a public body or by a sheriff, constable, marshal or other public or court officer in the performance of his official duties as such, or to trustees in bankruptcy or any other person or persons acting under the direction or authority of any court, state or federal, in selling a residence, except as to a public sale ordered by a probate court, in which case this subdivision shall apply.

Subd. 8. Before January 1, 1978, the commissioner of administration, in consultation with the director, shall by rule amend the standards concerning heat loss, illumination, and climate control promulgated pursuant to section 116H.12, subdivision 4, to require that electrical service to individual dwelling units in buildings containing two or more units be separately metered, with individual metering readily accessible to the individual occupants. The standards authorized by this subdivision shall only apply to buildings constructed after the effective date of the amended standards. Buildings intended for occupancy primarily by persons who are 62 years of age or older or handicapped, or which contain

a majority of units not equipped with complete kitchen facilities, shall be exempt from the provisions of this subdivision.

Sec. 4. [HOME INSULATION; CONSUMER PROTECTION; DEFINITIONS.] *Subdivision 1. For the purposes of sections 4 to 9, the following terms shall have the meanings here given them.*

Subd. 2. "Advertisement" means any written or verbal statement, illustration or depiction which appears in the mass media, in brochures, leaflets, or circulars, outdoor advertising, retail displays, or on vehicles, which is designed to cause the sale of or interest in the purchase of insulation.

Subd. 3. "Energy agency" means the Minnesota energy agency as provided in chapter 116H.

Subd. 4. "Industry members" means producers and suppliers of materials from which insulation is made who promote the sale or distribution of insulation; manufacturers of insulation; jobbers, wholesalers and retailers of insulation; contractors and applicators who sell and install residential insulation; and those engaged in the marketing of insulation who are, or who purport to act as, agents of manufacturers or suppliers of insulation.

Subd. 5. "Insulation" means any material or assembly of materials used primarily to provide resistance to heat flow in building structures, including but not limited to mineral fibrous, mineral cellular, organic fibrous, organic cellular or reflective materials, whether in loose fill, flexible, semi-rigid or rigid form.

Subd. 6. "Laboratory qualified to test thermal insulation" means an approved laboratory classified by the energy agency in consultation with industry members as passing an appropriate examination of ability to perform tests and continuing inspection or follow-up service according to specifications for manufacture and installation, also referred to as "testing laboratory".

Subd. 7. "Presenting a clear and present danger" means known to cause physical damage to structure or health hazards to occupants through continuing direct contact or release of hazardous substances as defined in section 24.33.

Subd. 8. "R value" means the measure of resistance to heat flow through a material or the reciprocal of the heat flow through a material expressed in British thermal units per hour per square foot per degree Fahrenheit at 75 degrees Fahrenheit mean temperature.

Subd. 9. "Specifications for manufacture and installation" means those specifications in section 5.

Sec. 5. [SPECIFICATIONS FOR THE MANUFACTURE, LABELING, AND INSTALLATION OF INSULATION.] *Subdivision 1. Within nine months of the effective date of this act, the energy agency shall promulgate rules pursuant to chapter 15 regarding quality, information, and product safety specifications for the manufacture, labeling, installation, and thermographing of insulation. The specifications and any amendments to them shall*

conform as far as is practical to federal standards or other standards generally accepted and in use throughout the United States. Such standards, with modifications as may be deemed necessary, may be adopted by reference. The specifications as promulgated and any amendments shall be based on the application of scientific principles, approved tests, and professional judgment. Upon the effective date of this act, the energy agency may issue temporary rules pursuant to section 15.0412, subdivision 5, for the purposes of this section.

Subd. 2. In addition to the specifications promulgated pursuant to subdivision 1 of this section, no insulation presenting a clear and present danger by the nature of its composition at the time of installation shall be used or offered for sale in Minnesota.

Subd. 3. The manufacturer's written instructions describing the proper methods of application of the insulation and required or recommended safety measures shall be provided to each intermediate and ultimate consumer of all insulation sold for use in Minnesota within ten days of when the insulation is sold.

Sec. 6. [TESTING OF INSULATION.] Subdivision 1. The director of the energy agency shall promulgate rules concerning qualifications of testing laboratories and the nature of continuing inspection and follow-up services for this section.

Subd. 2. Effective December 1, 1979, all insulation used or offered for sale in Minnesota shall be subject to a continuing inspection and follow-up service by an approved laboratory qualified to test thermal insulation.

Subd. 3. Upon the adoption of specifications under section 5, subdivision 1, all insulation used or offered for sale in Minnesota shall be tested in accordance with testing procedures required under those specifications by a laboratory qualified to test thermal insulation.

Subd. 4. The director of the energy agency shall purchase from time to time unopened insulation packages which shall be sent to an approved testing laboratory to test for compliance with the specifications established under section 5, subdivision 1.

Sec. 7. [UNFAIR AND DECEPTIVE ADVERTISING PRACTICES.] Subdivision 1. It shall be considered an unfair and deceptive practice to violate any of the provisions of this section.

Subd. 2. No advertisement for insulation to be used or offered for sale in Minnesota shall state that a percentage of fuel costs or a certain dollar amount of fuel costs will be saved unless the statement is accompanied by the following or substantially similar disclaimer in letters the same size as the claim of savings: "Stated savings are estimates only. Actual savings may vary depending on type of home, weather conditions, occupant lifestyle, energy prices and other factors."

Subd. 3. No advertisement for insulation to be used or offered for sale in Minnesota shall contain any claim which is false or

misleading, or for which there exists no reasonable substantiation at the time the claim is made. Prohibited claims include, but are not limited to, the following: does not burn, noncombustible, self-extinguishing, nonpoisonous, non-irritating, vermin-proof, rodent-proof, resists mildewing, will not shrink, will not crack, permanent, no deterioration, complete coverage, fills all voids, never needs replacing, will not settle. This prohibition shall not apply if the claim is substantiated by tests identified in the specifications established under section 5, subdivision 1, or by appropriate testing procedures of the American Society for Testing and Materials where no test required under section 5, subdivision 1, applies. Such tests shall be made by a laboratory qualified to test thermal insulation. When tests are not designed to duplicate actual conditions, substantiated claims must so state.

Subd. 4. No representation about the thermal resistance value of insulation shall be made unless the R value is given and has been determined by the tests required in the specification established under section 5, subdivision 1, or by appropriate testing procedures of the American Society for Testing and Materials where no test required under section 5, subdivision 1, applies. Such tests shall be made by an approved laboratory qualified to test thermal insulation.

Sec. 8. [MARKING, LABELING, AND CONSUMER INFORMATION.] Subdivision 1. The outside of all containers and wrappings of insulation used or offered for sale in Minnesota shall have the following information printed legibly thereon in bold type not less than $\frac{1}{8}$ inch high:

(a) Type (pneumatic or blown, pouring, batt, roll, blanket, board, cellular, or reflective);

(b) R value (to the nearest tenth) per inch at the recommended installation density;

(c) Required thickness in inches to obtain four or more commonly used R values and the corresponding coverage areas in square feet of the insulation in the container or wrapping;

(d) Expiration date and expected shelf life of all resins, catalysts, and foaming agents for all foam insulations, whether in powder, diluted or partially diluted state, or canister, drum, container, or package. For purposes of this section, "foam insulation" means products having an organic base or composed of vinyl or plastic material or both, which are manufactured or installed using a process involving a foaming agent, a resin, a catalyst and an air compressor, including but not limited to urea-formaldehyde, other urea-based foams, urethane foam, polyurethane foam, polystyrene foam, and isocyanurate foam.

(e) Name and address of the manufacturer of the insulation;

(f) A notation of those current specifications of the United States General Services Administration, the United States Department of Energy, the United States Department of Housing and Urban Development, the United States Consumer Product Safety

Commission, the Federal Trade Commission and the energy agency with which the insulation complies;

(g) The net weight of the contents of the bag, package, or container.

Subd. 2. Where insulation is used or offered for sale without the manufacturer's container, the information required in subdivision 1 shall be provided in a separate printed statement to the intermediate and ultimate consumers.

Sec. 9. [ENFORCEMENT; PENALTIES.] *Subdivision 1. Violation of section 5, subdivision 2, or section 6, subdivision 2 or 3, shall constitute a misdemeanor, provided that the sole liability for such violation on insulation sold under the manufacturer's brand or trademark shall be the manufacturer's, and that an industry member who is not a manufacturer shall be liable under this subdivision only if he has actual knowledge or knowledge fairly implied on the basis of the objective circumstances that the insulation presents a clear and present danger or has not been subject to the required testing procedures.*

Subd. 2. Violation of section 5, subdivision 3, section 7, or section 8 shall constitute a misdemeanor.

Subd. 3. The provisions of section 7 may be enforced by the attorney general pursuant to section 325.907. The attorney general may recover costs and disbursements, including costs of investigation and reasonable attorney's fees. In addition to the remedies otherwise provided by law, any person injured by a violation of sections 5, 7, or 8 may bring a civil action and recover damages together with costs of investigation and reasonable attorney's fees, and receive other equitable relief as determined by the court. The court may as appropriate enter a consent judgment or decree without the finding of illegality.

Subd. 4. Remedies taken under this section shall not exclude other civil or criminal actions under Minnesota Statutes.

Sec. 10. Minnesota Statutes 1976, Section 273.11, Subdivision 1, is amended to read:

273.11 [VALUATION OF PROPERTY.] *Subdivision 1. Except as provided in subdivisions 2 and 6 or section 273.17, subdivision 1, all property shall be valued at its market value. In estimating and determining such value, the assessor shall not adopt a lower or different standard of value because the same is to serve as a basis of taxation, nor shall he adopt as a criterion of value the price for which such property would sell at auction or at a forced sale, or in the aggregate with all the property in the town or district; but he shall value each article or description of property by itself, and at such sum or price as he believes the same to be fairly worth in money. In assessing any tract or lot of real property, the value of the land, exclusive of structures and improvements, shall be determined, and also the value of all structures and improvements thereon, and the aggregate value of the property, including all structures and improvements, excluding the value of crops growing upon cultivated land. In valuing real prop-*

erty upon which there is a mine or quarry, it shall be valued at such price as such property, including the mine or quarry, would sell for a fair, voluntary sale, for cash. In valuing real property which is vacant, the fact that such property is platted shall not be taken into account. An individual lot of such platted property shall not be assessed in excess of the assessment of the land as if it were unplatted until the lot is improved with a permanent improvement all or a portion of which is located upon the lot, or for a period of three years after final approval of said plat whichever is shorter. When a lot is sold or construction begun, the assessed value of that lot or any single contiguous lot fronting on the same street shall be eligible for reassessment. All property, or the use thereof, which is taxable under sections 272.01, subdivision 2, or 273.19, shall be valued at the market value of such property and not at the value of a leasehold estate in such property, or at some lesser value than its market value.

Sec. 11. Minnesota Statutes 1976, Section 273.11, is amended by adding a subdivision to read:

Subd. 6. [EXEMPTION FROM VALUATION INCREASE DUE TO ENERGY SYSTEM.] For purposes of property taxation, the market value of real and personal property installed prior to January 1, 1984, which is a solar, wind, or agriculturally derived methane gas system used as a heating, cooling, or electric power source of a building or structure shall be excluded from the market value of that building or structure if the property is not used to provide energy for sale.

Sec. 12. Minnesota Statutes 1976, Section 394.25, Subdivision 2, is amended to read:

Subd. 2. Zoning ordinances establishing districts within which the use of land or the use of water or the surface of water pursuant to section 378.32 for agriculture, forestry, recreation, residence, industry, trade, soil conservation, water supply conservation, surface water drainage and removal, conservation of shorelands, as defined in section 105.485, and additional uses of land and of the surface of water pursuant to section 378.32, may be by official controls encouraged, regulated, or prohibited and for such purpose the board may divide the county into districts of such number, shape, and area as may be deemed best suited to carry out the comprehensive plan. Official controls may also be applied to wetlands preservation, open space, parks, sewage disposal, protection of ground water, protection of flood plains as defined in section 104.02, protection of wild, scenic or recreational rivers as defined in section 104.33, protection of slope, soils, unconsolidated materials or bedrock from potentially damaging development, preservation of forests, woodlands and essential wildlife habitat, reclamation of non-metallic mining lands; protection and encouragement of access to direct sunlight for solar energy systems as defined in section 116H.02, subdivision 11; and the preservation of agricultural lands.

Sec. 13. Minnesota Statutes 1976, Section 394.27, Subdivision 7, is amended to read:

Subd. 7. The board of adjustment shall have the exclusive power to order the issuance of variances from the terms of any official control including restrictions placed on nonconformities. Variances shall only be permitted when they are in harmony with the general purposes and intent of the official control in cases when there are practical difficulties or particular hardship in the way of carrying out the strict letter of any official control, and when the terms of the variance are consistent with the comprehensive plan. "Hardship" as used in connection with the granting of a variance means the property in question cannot be put to a reasonable use if used under the conditions allowed by the official controls; the plight of the landowner is due to circumstances unique to his property not created by the landowner; and the variance, if granted, will not alter the essential character of the locality. Economic considerations alone shall not constitute a hardship if a reasonable use for the property exists under the terms of the ordinance. No variance may be granted that would allow any use that is prohibited in the zoning district in which the subject property is located. The board of adjustment may impose conditions in the granting of variances to insure compliance and to protect adjacent properties and the public interest. *The board of adjustment may consider the inability to use solar energy systems a "hardship" in the granting of variances.*

Sec. 14. Minnesota Statutes 1976, Section 462.357, Subdivision 1, is amended to read:

462.357 [PROCEDURE FOR PLAN EFFECTUATION; ZONING.] Subdivision 1. [AUTHORITY FOR ZONING.] For the purpose of promoting the public health, safety, morals and general welfare, a municipality may by ordinance regulate the location, height, bulk, number of stories, size of buildings and other structures, the percentage of lot which may be occupied, the size of yards and other open spaces, the density and distribution of population, the uses of buildings and structures for trade, industry, residence, recreation, public activities, or other purposes, and the uses of land for trade, industry, residence, recreation, agriculture, forestry, soil conservation, water supply conservation, conservation of shorelands, as defined in section 105.485, *access to direct sunlight for solar energy systems as defined in section 116H.02*, flood control or other purposes, and may establish standards and procedures regulating such uses. The regulations may divide the municipality into districts or zones of suitable numbers, shape and area. The regulations shall be uniform for each class or kind of buildings, structures or land and for each class or kind of use throughout such district, but the regulations in one district may differ from those in other districts. The ordinance embodying these regulations shall be known as the zoning ordinance and shall consist of text and maps. A city may by ordinance extend the application of its zoning regulations to unincorporated territory located within two miles of its limits in any direction, but not in a county or town which has adapted zoning regulations; provided that where two or more noncontiguous municipalities have boundaries less than four miles apart, each is authorized to control the zoning of land on its side of a line

equidistant between the two noncontiguous municipalities unless a town or county in the affected area has adopted zoning regulations. Any city may thereafter enforce such regulations in the area to the same extent as if such property were situated within its corporate limits, until the county or town board adopts a comprehensive zoning regulation which includes the area.

Sec. 15. Minnesota Statutes 1976, Section 462.357, Subdivision 6, is amended to read:

Subd. 6. [APPEALS AND ADJUSTMENTS.] Appeals to the board of appeals and adjustments may be taken by any affected person upon compliance with any reasonable conditions imposed by the zoning ordinance. The board of appeals and adjustments has the following powers with respect to the zoning ordinance:

(1) To hear and decide appeals where it is alleged that there is an error in any order, requirement, decision, or determination made by an administrative officer in the enforcement of the zoning ordinance.

(2) To hear requests for variances from the literal provisions of the ordinance in instances where their strict enforcement would cause undue hardship because of circumstances unique to the individual property under consideration, and to grant such variances only when it is demonstrated that such actions will be in keeping with the spirit and intent of the ordinance. *Undue hardship includes, but is not limited to, inadequate access to direct sunlight for solar energy systems.* The board of appeals and adjustments or the governing body as the case may be, may not permit as a variance any use that is not permitted under the ordinance for property in the zone where the affected person's land is located. The board or governing body as the case may be, may permit as a variance the temporary use of a one family dwelling as a two family dwelling. The board or governing body as the case may be may impose conditions in the granting of variances to insure compliance and to protect adjacent properties.

Sec. 16. Minnesota Statutes 1976, Section 462.358, Subdivision 2, is amended to read:

Subd. 2. [TERMS OF REGULATIONS.] Subdivision regulations shall require that a proposed subdivision plat shall be in conformity with the official map if such exist. In establishing requirements for the location and width of streets, the municipality shall take into consideration anticipated traffic needs and the prospective character of the development and make any reasonable requirements therefor. As a condition to the approval of any subdivision plat of lands to which the regulations apply, subdivision regulations may prescribe requirements concerning the extent and manner in which streets shall be graded and improved, and electric and gas distribution lines or piping, water, sewer, or other facilities shall be installed. The regulations may provide, or authorize the governing body or other platting authority to provide, that, in lieu of the completion of such work

before the final approval of the plat, the governing body or platting authority may accept or require a contract secured by a cash deposit, certified check, or a bond in an amount and with surety and conditions satisfactory to it, to assure the municipality that such improvements and utilities will be actually constructed and installed according to the specifications approved by the governing body or platting authority as expressed in the contract; and the municipality may enforce such contracts by appropriate legal and equitable remedies. The subdivision regulations may require that in appropriate plots of subdivisions to be developed for residential, commercial, industrial or other uses, or as a planned development which includes residential, commercial and industrial uses, or any combination thereof, that a reasonable portion of each proposed subdivision be dedicated to the public for public use as parks, playgrounds, public open space, or storm water holding areas or ponds, or that the subdivider contribute an equivalent amount in cash based on the fair market value of the undeveloped land, as defined by the regulations, provided that cash payments received under such regulations shall be placed in a special fund by the municipality and used only for the acquisition of land for parks, playgrounds, public open space and storm water holding areas or ponds, development of existing park and playground sites, public open space and storm water holding areas or ponds, and debt retirement in connection with land previously acquired for such public purposes. The subdivision regulations, in setting forth the reasonable portion of each proposed subdivision to be dedicated to the public for public use as provided above, may take into consideration the open space, park, recreational or common areas and facilities which the subdivider has provided for the exclusive use of the residents of the subdivision.

A municipality may, through subdivision regulations, prohibit or restrict development for purposes of soil and water conservation. Such soil and water conservation regulations may call for site development plans with provisions for the control of drainage, erosion, and siltation.

A municipality may, for purposes of protecting and assuring access to direct sunlight for solar energy systems, prohibit, restrict or control development through subdivision regulations. The regulations may call for subdivision development plans containing restrictive covenants, height restrictions, side yard and setback requirements, or other permissible forms of land use controls.

Sec. 17. Minnesota Statutes 1976, Section 462.358, Subdivision 6, is amended to read:

Subd. 6. [VARIANCES.] Subdivision regulations may provide for a procedure for varying the regulations as they apply to specific properties where an unusual hardship on the land exists, but variances may be granted only upon the specific grounds set forth in the regulations. *Unusual hardship includes, but is not limited to, inadequate access to direct sunlight for solar energy systems.*

Sec. 18. Minnesota Statutes 1976, Section 462.39, Subdivision 3, is amended to read:

Subd. 3. [PLANNING.] The commission shall prepare and adopt, after appropriate study and such public hearings as may be necessary, a comprehensive development plan for the region. The plan shall consist of a compilation of policy statements, goals, standards, programs, and maps prescribing guides for an orderly and economic development, public and private, of the region. The comprehensive development plan shall recognize and encompass physical, social, or economic needs of the region, and those future developments which will have an impact on the entire region including but not limited to such matters as land use, parks and open space land needs, *access to direct sunlight for solar energy systems*, the necessity for and location of airports, highways, transit facilities, public hospitals, libraries, schools, public and private, housing, and other public buildings. In preparing the development plan the commission shall use to the maximum extent feasible the resources studies and data available from other planning agencies within the region, including counties, municipalities, special districts, and subregional planning agencies, and it shall utilize the resources of the state planning agency to the same purpose. No development plan or portion thereof for the region shall be adopted by the commission until it has been submitted to the state planning agency for review and comment and a period of 60 days has elapsed after such submission. When a development plan has been adopted, the commission shall distribute it to all local government units within the region.

Sec. 19. Minnesota Statutes 1976, Section 473.05, Subdivision 1, is amended to read:

473.05 [PLANS.] Subdivision 1. The commission shall make plans for the physical, social, and economic development of its metropolitan area with the general purpose of guiding and accomplishing a coordinated and harmonious development of the area and of public facilities, improvements, and utilities which do not begin and terminate within the boundaries of any single governmental unit or which do not relate exclusively to the development of any single governmental unit. Such plans may include, among other things, suggestions as to highways and other transportation facilities, parks and recreational facilities, *methods for protection and assuring access to direct sunlight for solar energy systems*, drainage and water supply facilities, public buildings, utilities and services, as well as suggested standards for the subdivision of land and for control over the construction, height, bulk, location and use of buildings and premises. The commission may adopt by resolution of a majority of its full membership any such plan or portion of any plan as its official recommendation for the development of the area.

Sec. 20. Minnesota Statutes 1976, Section 473.859, Subdivision 2, is amended to read:

Subd. 2. [LAND USE PLAN.] A land use plan shall designate the existing and proposed location, intensity and extent of use of

land and water for agricultural, residential, commercial, industrial and other public and private purposes, or any combination of such purposes. A land use plan shall contain a protection element, as appropriate, for historic sites and the matters listed in section 473.204 , and an element for protection and development of access to direct sunlight for solar energy systems . A land use plan shall also include a housing element containing standards, plans and programs for providing adequate housing opportunities to meet existing and projected local and regional housing needs, including but not limited to the use of official controls and land use planning to promote the availability of land for the development of low and moderate income housing.

Sec. 21. Subdivision 1. *"Solar easement" means a right, whether or not stated in the form of a restriction, easement, covenant, or condition, in any deed, will, or other instrument executed by or on behalf of any owner of land or solar skyspace for the purpose of ensuring adequate exposure of a solar energy system as defined in section 116H.02, Subdivision 11, to solar energy.*

Subd. 2. *Any property owner may grant a solar easement in the same manner and with the same effect as a conveyance of an interest in real property. The easements shall be created in writing and shall be filed, duly recorded, and indexed in the office of the recorder of the county in which the easement is granted. No duly recorded solar easement shall be unenforceable on account of lack of privity of estate or privity of contract; such easements shall run with the land or lands benefited and burdened and shall constitute a perpetual easement, except that a solar easement may terminate upon the conditions stated therein or pursuant to the provisions of section 500.20.*

Subd. 3. *Any deed, will, or other instrument that creates a solar easement shall include, but the contents are not limited to:*

(a) a description of the real property subject to the solar easement and a description of the real property benefiting from the solar easement;

(b) a description of the vertical and horizontal angles, expressed in degrees and measured from the site of the solar energy system, at which the solar easement extends over the real property subject to the solar easement, or any other description which defines the three dimensional space, or the place and times of day in which an obstruction to direct sunlight is prohibited or limited;

(c) any terms or conditions under which the solar easement is granted or may be terminated;

(d) any provisions for compensation of the owner of the real property benefiting from the solar easement in the event of interference with the enjoyment of the solar easement, or compensation of the owner of the real property subject to the solar easement for maintaining the solar easement;

(e) any other provisions necessary or desirable to execute the instrument.

Subd. 4. A solar easement may be enforced by injunction or proceedings in equity or other civil action.

Subd. 5. Any depreciation caused by any solar easement which is imposed upon designated property, but not any appreciation caused by any solar easement which benefits designated property, shall be included in the valuation of the property for property tax purposes.

Sec. 22. Notwithstanding the provisions of section 16.851, the date by which the state building code must be enforced within all municipalities in the state is January 1, 1979, except that those portions of the state building code relating to the grading of lumber shall not be effective until January 1, 1980.

Sec. 23. [APPROPRIATIONS.] Subdivision 1. For the year ending June 30, 1979, the sum of \$26,000 is appropriated from the general fund to the energy agency for the purposes of sections 5 and 6.

Subd. 2. For the year ending June 30, 1979, the sum of \$18,000 is appropriated from the general fund to the department of administration for the purposes of section 3.

Subd. 3. The sum of \$80,000 of the funds appropriated pursuant to Laws 1976, Chapter 254, Section 16, Clause (e), is cancelled. For the fiscal years 1978 and 1979, the sum of \$80,000 is appropriated from the general fund to the director of the housing finance agency for the purpose of studying and reporting to the legislature by January 15, 1979, on existing loan programs for the rehabilitation of low and moderate income rental housing for energy conservation purposes. In particular, the study shall focus on the financial impact of rehabilitation and energy conservation programs on tenants. The director shall also include in the report to the legislature his recommendations for additional legislation for energy conservation programs for low and moderate income rental housing, and for methods of protecting tenants from unreasonable costs as a result of such programs. The spending limit on general administrative cost of housing finance agency programs for fiscal years 1978 and 1979 shall be increased by the amount of the funds appropriated by this subdivision.

Sec. 24. [EFFECTIVE DATE.] This act shall be effective the day after enactment. Section 11 shall be effective for assessments made for taxes levied in 1978 and payable in 1979 and thereafter."

Further, strike the title and insert:

"A bill for an act relating to energy; changing the powers of the Minnesota energy agency; implementing certain residential energy efficiency standards; establishing insulation product and application standards; prescribing penalties; providing property tax exemptions for alternative energy systems; providing for solar energy zoning and planning ordinances; requiring the metropolitan council to consider access to sunlight in its land use plans; providing for solar easements; delaying implementation of the state building code; appropriating money; amending Minnesota Statutes 1976, Sections 116H.08; 273.11, Subdivision 1, and by adding a

subdivision; 394.25, Subdivision 2; 394.27, Subdivision 7; 462.357, Subdivisions 1 and 6; 462.358, Subdivisions 2 and 6; 462.39, Subdivision 3; 473.05, Subdivision 1; 473.859, Subdivision 2; and Minnesota Statutes, 1977 Supplement, Section 116H.129, Subdivision 1, and by adding subdivisions."

We request adoption of this report and repassage of the bill.
House Conferees: (Signed) Willard M. Munger, Walter R. Hanson, William D. Dean

Senate Conferees: (Signed) Hubert H. Humphrey, III, Jerald C. Anderson, Harmon T. Ogdahl

Mr. Humphrey moved that the foregoing recommendations and Conference Committee Report on H. F. No. 2261 be now adopted, and that the bill be repassed as amended by the Conference Committee.

Mr. Lessard moved that the recommendations and Conference Committee Report on H. F. No. 2261 be rejected, the Conference Committee discharged, and that a new Conference Committee be appointed by the Subcommittee on Committees to act with a like Conference Committee appointed on the part of the House.

The question was taken on the adoption of the Lessard motion.

Mr. Lessard moved that those not voting be excused from voting. The motion did not prevail.

Mr. Humphrey moved that those not voting be excused from voting. The motion prevailed.

The roll was called, and there were yeas 33 and nays 25, as follows:

Those who voted in the affirmative were:

Ashbach	Hanson	Moe	Purfeerst	Strand
Bang	Jensen	Nelson	Renneke	Ueland, A.
Bernhagen	Johnson	Nichols	Schmitz	Vega
Borden	Knaak	Olhoff	Schrom	Wegener
Brataas	Lessard	Olson	Setzepfandt	Willet
Dunn	Lewis	Penny	Sieloff	
Gunderson	Menning	Peterson	Solon	

Those who voted in the negative were:

Anderson	Gearly	Kleinbaum	Merriam	Spear
Benedict	Hughes	Knoll	Ogdahl	Staples
Chenoweth	Humphrey	Laufenburger	Schaaf	Stokowski
Coleman	Keefe, J.	Luther	Sikorkai	Tennessee
Dieterich	Keefe, S.	McCutcheon	Sillers	Ulland, J.

The Lessard motion prevailed.

Pursuant to Rule 21, Mr. Keefe, S. moved that the following members be excused for a Conference Committee on H. F. No. 2098:

Messrs. Keefe, S., Anderson and Dunn. The motion prevailed.

MESSAGES FROM THE HOUSE—CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 2527 and repassed said bill in accordance with the report of the Committee, so adopted:

H. F. No. 2527: A bill for an act relating to the organization and operation of state government; clarifying, supplementing, and providing for deficiencies in appropriations for the expenses of state government with certain conditions; providing for payment of claims; shortening time for cancellation of certain drafts; authorizing fees and special accounts in certain cases; transferring duties; extending existence of advisory council on economic status of women; appropriating money; amending Minnesota Statutes 1976, Sections 3.736, Subdivision 7; 3.98, Subdivision 4; 10.15; 10A.20, Subdivision 3, as amended; 10A.27, Subdivision 4, as amended; 10.32, Subdivision 3, as amended; 15.061; 16.32, Subdivision 1; 16A.128; 16A.15, Subdivision 1; 16A.60; 16A.67, Subdivision 2; 60A.13, Subdivision 7; 60A.14, Subdivision 1; 136A.29, Subdivision 9; 242.385, Subdivision 1; 299C.10; 299C.11; 299D.03, Subdivision 6; 341.12; 363.14, Subdivision 1; 480.13; and Chapter 16A, by adding sections; Minnesota Statutes, 1977 Supplement, Sections 15A.083, Subdivision 4, and by adding a subdivision; 16.125, Subdivisions 1 and 3; 16.72, Subdivision 7; 43.42; 43.43, Subdivision 2; 120.17, Subdivision 7a; 139.18, Subdivision 2; 298.28, Subdivision 1; 473.591, Subdivision 3; 484.62; 484.68, Subdivision 6; and 484.68, by adding subdivisions; amending Laws 1976, Chapter 337, Sections 1, Subdivision 4; and 4; amending Laws 1977, Chapter 421, Section 13, by adding a subdivision; Laws 1977, Chapter 445, Section 3, Subdivision 3; Laws 1977, Chapter 454, Section 5, Subdivision 1; repealing Minnesota Statutes 1976, Sections 3.732, Subdivision 4; 16.171; 60A.13, Subdivisions 3 and 4; 162.19; 325.64 to 325.76; and 363.122.

House File No. 2527 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 23, 1978

CONFERENCE COMMITTEE REPORT ON H. F. NO. 2527

A bill for an act relating to the organization and operation of state government; clarifying, supplementing, and providing for deficiencies in appropriations for the expenses of state government with certain conditions; providing for payment of claims; shortening time for cancellation of certain drafts; authorizing fees and special accounts in certain cases; transferring duties; extending existence of advisory council on economic status of women; appropriating money; amending Minne-

sota Statutes 1976, Sections 3.736, Subdivision 7; 3.98, Subdivision 4; 10.15; 10A.20, Subdivision 3, as amended; 10A.27, Subdivision 4, as amended; 10.32, Subdivision 3, as amended; 15.061; 16.32, Subdivision 1; 16A.128; 16A.15, Subdivision 1; 16A.60; 16A.67, Subdivision 2; 60A.13, Subdivision 7; 60A.14, Subdivision 1; 136A.29, Subdivision 9; 242.385, Subdivision 1; 299C.10; 299C.11; 299D.03, Subdivision 6; 341.12; 363.14, Subdivision 1; 480.13; and Chapter 16A, by adding sections; Minnesota Statutes, 1977 Supplement, Sections 15A.083, Subdivision 4, and by adding a subdivision; 16.125, Subdivisions 1 and 3; 16.72, Subdivision 7; 43.42; 43.43, Subdivision 2; 120.17, Subdivision 7a; 139.18, Subdivision 2; 298.28, Subdivision 1; 473.591, Subdivision 3; 484.62; 484.68, Subdivision 6; and 484.68, by adding subdivisions; amending Laws 1976, Chapter 337, Sections 1, Subdivision 4; and 4; amending Laws 1977, Chapter 421, Section 13, by adding a subdivision; Laws 1977, Chapter 445, Section 3, Subdivision 3; Laws 1977, Chapter 454, Section 5, Subdivision 1; repealing Minnesota Statutes 1976, Sections 3.732, Subdivision 4; 16.171; 60A.13, Subdivisions 3 and 4; 162.19; 325.64 to 325.76; and 363.122.

The Honorable Martin O. Sabo
Speaker of the House of Representatives

The Honorable Edward J. Gearty
President of the Senate

We, the undersigned conferees for H. F. No. 2527, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H. F. No. 2527 be amended as follows:

Strike everything after the enacting clause and insert:

"Section 1. [STATE GOVERNMENT; APPROPRIATIONS.] The sums set forth in the columns designated "APPROPRIATIONS" are appropriated from the general fund, or any other fund designated, to the agencies and for the purposes specified in the following sections of this act, to be available for the fiscal years indicated for each purpose. The figures "1978", and "1979", wherever used in this act, mean that the appropriation or appropriations listed thereunder are available for the year ending June 30, 1978, or June 30, 1979, respectively.

SUMMARY BY FUND

	1978	1979	TOTAL
General	\$4,224,175	\$2,290,006	\$6,514,181
Game and Fish	5,000		5,000
Trunk Highway		50,000	50,000
TOTAL	\$4,229,175	\$2,340,006	\$6,569,181

APPROPRIATIONS
Available for the year
Ending June 30,
1978 1979

\$ \$

Sec. 2. LEGISLATIVE COORDINATING COMMISSION

For the Advisory Council on Economic Status of Women	70,000
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Sec. 3. LEGISLATIVE COMMISSION ON PENSIONS AND RETIREMENT	5,000	12,000
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These appropriations are added to the appropriations in Laws 1977, Chapter 455, Section 2, Subdivision 5.

Sec. 4. SUPREME COURT

Subdivision 1. Salaries and fringe benefits for district court administrators	125,938
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This appropriation is added to the appropriation in Laws 1977, Chapter 432, Section 47, Subdivision 1.

Subd. 2. Salary increase for state court administrator	5,000
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Subd. 3. State Judicial Information Systems Project	259,870
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Subd. 4. The appropriations in subdivisions 2 and 3 are added to the appropriations in Laws 1977, Chapter 455, Section 3, Subdivision 1.

Sec. 5. ATTORNEY GENERAL

Approved Complement

General—add 9

These positions and the sum of \$237,003 are subtracted from the approved complement and fiscal 1979 appropriation to the commissioner of public welfare in Laws 1977, Chapter 453, Section 2, Subdivision 1, and are added to the approved complement and appropriation to the attorney general for fiscal year 1979 in Laws 1977, Chapter 455, Section 16, Subdivision 1.

Sec. 6. STATE PLANNING AGENCY

Subdivision 1. Up to \$175,000 of the appropriation made in Laws 1977, Chapter 455, Section 19, Subdivision 2, to the state planning agency for human services board grants

	1978	1979
	\$	\$

may be used to support the development of a human services data base, including, but not limited to, an examination of existing home care programs, their current funding sources and an estimate of additional services needed. Any money for human services board grants not encumbered by November 1, 1978, may be made available to any county as grants for improving management and planning for the delivery of human services. Applications shall be on forms approved by the state planning officer, and grants shall be awarded on the basis of earliest date of application. No grant shall exceed \$4,000.

Subd. 2. For completion of local governmental fiscal studies

75,000

This appropriation is added to the appropriation for this purpose in Laws 1977, Chapter 455, Section 19, Subdivision 3.

Sec. 7. ADMINISTRATION

Subdivision 1. For the state contribution to the Council of State Governments

8,910

This appropriation is added to the appropriation for general support in Laws 1977, Chapter 455, Section 20.

Subd. 2. For the personnel and expenses of the governor and attorney general elect

32,500

The maximum allowed is \$25,000 for the governor and \$7,500 for the attorney general. No money is available for incumbents who are reelected.

Subd. 3. The unencumbered balance of the appropriation made in Laws 1977, Chapter 455, Section 20 for an energy survey shall not cancel but shall be available until December 31, 1979.

Sec. 8. PERSONNEL

Approved Complement

General—add 1

Subdivision 1. For the PRIDE phases 1 and 2 of a personnel management information system

65,000

This appropriation is available until June 30, 1979.

	1978	1979
	\$	\$
Subd. 2. Services to political subdivisions	12,530	12,562

These appropriations are added to the appropriations for personnel technical services in Laws 1977, Chapter 455, Section 23.

Subd. 3. Notwithstanding the provisions of Laws 1977, Chapter 455, Section 23, in fiscal year 1979 each state department shall use a proportion of its training money, equal to the ratio of schedule "C" civil service employees to total department employees, for special career training programs for schedule "C" civil service employees. When the ratio is greater than 50 percent, the department shall not be required to use more than 50 percent of its training money for the purpose of this subdivision.

Sec. 9. PERSONNEL BOARD

45,571

Sec. 10. REVENUE

Approved Complement—add 8

Subdivision 1. To collect, audit, and administer the stadium liquor tax

100,000

89,000

Subd. 2. To audit and enforce production tax on taconite and iron sulphides

50,000

Subd. 3. Compilation and analysis of mineral exploration data, pursuant to section 298.48

150,000

Subd. 4. The appropriations in subdivision 1 are added to the appropriations for income, sales and use tax management, and the appropriations in subdivisions 2 and 3 are added to the appropriation for property and special taxes management, in Laws 1977, Chapter 455, Section 25.

Subd. 5. Any unencumbered balance at the end of the first year of the biennium from the \$300,000 appropriated to the commissioner by Laws 1977, Chapter 423, Article XI is available for the second year and is added to the second year appropriation for revenue management, income, sales and use tax management, and property and special taxes management in Laws 1977, Chapter 455, Section 25.

	1978	1979
	\$	\$
Sec. 11. AGRICULTURE		
Approved Complement		
General—add 4		
Special—subtract 2		
Subdivision 1. For agricultural commodity promotion councils	22,518	78,000
Subd. 2. For market development and promotion	71,400	
This appropriation is available until June 30, 1979.		
Subd. 3. For a grant to conduct a feasibility study for an agricultural processing plant	10,000	

Sec. 12. NATURAL RESOURCES

Approved Complement

General—add 20

Building—add 7

Game and Fish—subtract 9

Six of these new persons are regional trails coordinators, who shall be in the unclassified service. This complement increase is only until June 30, 1979, unless extended by law.

One person is a park manager for St. Croix Wild River state park.

Subdivision 1. The appropriation in Laws 1977, Chapter 455, Section 28, for peat studies in fiscal 1978 is available until June 30, 1979.

Subd. 2. For controlling smelt fishing activities on the north shore	5,000
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This appropriation is added to the appropriation for this purpose for fiscal 1978 in Laws 1977, Chapter 455, Section 28.

This appropriation is from the game and fish fund.

Sec. 13. POLLUTION CONTROL AGENCY

The appropriation for 1977 in Laws 1977, Chapter 455, Section 31, Subdivision 2 is available until June 30, 1979.

Sec. 14. ENERGY AGENCY

The commissioners of agriculture and economic development and the directors of the

	1978	1979
\$		\$

energy and pollution control agencies shall jointly review all proposals by Minnesota organizations and individuals for pilot projects for production and marketing of industrial hydrocarbons derived from agricultural commodities and forest products pursuant to the Food and Agriculture Act of 1977, Pub. L. No. 95-113, Section 1420, 91 Stat. 998 (1977), and shall select one proposal to be recommended to the legislative commission on Minnesota resources for endorsement and promotion by the state of Minnesota when it is submitted to the secretary of agriculture for funding.

The director of the energy agency shall prepare and submit a work program and furnish progress reports every two months to the legislative commission on Minnesota resources.

Sec. 15. COMMERCE

Approved Complement

General—subtract 1

Federal—add 1

Subdivision 1. To provide sufficient money for continuation of implementation of a statewide licensing system for nonhealth related licensing boards

150,000

This appropriation is available until June 30, 1979.

Subd. 2. Of the appropriation made in Laws 1977, Chapter 453, Section 2, Subdivision 3, to the commissioner of public welfare for income maintenance, \$200,000 is transferred and appropriated to the commissioner of insurance for the biennium ending June 30, 1979 to reimburse the comprehensive health association for the first \$200,000 of claims expenses of the state plan incurred after June 30, 1978 which are in excess of premium payments allocated to the payment of benefits.

Notwithstanding any law to the contrary, insurers, fraternal and health maintenance organizations which are members of the association may recover any claims expenses and operating and administrative expenses of the association assessed against them through accident and health insurance premiums, subscriber contract charges, or

	1978	1979
\$	\$	

health maintenance organization contract charges.

Notwithstanding the provisions of section 62E.08, subdivision 2, premiums charged for the state plan shall not exceed 125 percent of the premiums determined pursuant to section 62E.08, subdivision 1, except as this applies to health maintenance organizations whose charges for the state plan shall be based on generally accepted actuarial principles.

Sec. 16. BOARD OF ACCOUNTANCY

9,555

Approved Complement—add 1

This appropriation is added to the appropriation for fiscal 1979 in Laws 1977, Chapter 455, Section 36.

Sec. 17. BOARD OF PEACE OFFICER STANDARDS AND TRAINING

Approved Complement—add 2

Sec. 18. ECONOMIC DEVELOPMENT

Approved Complement—add 1

Subdivision 1. For development and promotion of markets for agricultural products

28,600

This appropriation is available until June 30, 1979.

Subd. 2. For an expanded tourism program

633,000

This appropriation is added to the appropriation for tourism industry services for fiscal 1979 in Laws 1977, Chapter 455, Section 48.

The limitations in that section on the amounts spent for tourism advertising and promotion and for tourism grants in fiscal 1979 are cancelled.

The amounts that may be expended for each purpose are as follows:

Media advertising	\$200,000
Promotion	33,000
Statewide marketing research	100,000

	1978	1979
Matching grants to regional tourism organizations	\$ 70,000	\$

Each regional tourism organization shall report to the commissioner of economic development by October 1, 1979 on the expenditure of money from this appropriation. The commissioner shall compile the reports and submit them to the legislature by November 15, 1979.

Matching grants to local and statewide organizations for special events	80,000
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Additional tourism publication	150,000
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The nonstate match for tourism projects may be supplied from public money, private contributions, or both, but shall not include revenue from advertising in tourism publications.

Sec. 19. PUBLIC SAFETY

Approved Complement

General—add 16

Trunk Highway—subtract 12

Subdivision 1. Money appropriated for the criminal justice data communications network for fiscal 1978 by Laws 1977, Chapter 455, Section 51 is available until June 30, 1979.

Subd. 2. For assisting prevention of crimes and fires.

The appropriation for purchase of drugs and acquisition of information relating to possession and sale of controlled substances in Laws 1977, Chapter 455, Section 51 is decreased by \$100,000. The appropriation for purchase of contraband and information relating to receiving or selling stolen goods in Laws 1977, Chapter 455, Section 51 is decreased by \$50,000. These amounts are transferred and reappropriated for the purposes indicated in this subdivision.

Of this transfer, \$42,000 is for the purpose of investigating cross jurisdictional criminal activity. County sheriffs or the chief administrative officer of city police departments may use this amount for criminal

1978

1979

\$

\$

investigatory activity, including purchase of information, relating to violations of section 609.32, subdivision 2 or subdivision 3 paragraphs 3 or 6. Application for funds, and reports at the conclusion of investigations, shall be made as provided in Laws 1977, Chapter 455, Section 51.

\$37,000 is for two laboratory analysts to assist in the program for victims of sexual assault.

\$46,000 is for the establishment of programs by the superintendent of the bureau of criminal apprehension for training peace officers and firefighters in the conduct of investigations relating to the origin and cause of fires. Courses shall include fire scene investigation and preservation of evidence, interviewing of witnesses and suspects, constitutional limits on interrogation by sworn and nonsworn officers, and other topics deemed necessary to the successful criminal investigation of arson and crimes related thereto. No more than \$38,000 shall be expended for reimbursing political subdivisions at a rate not to exceed 50 percent of the salaries of peace officers and firefighters for time spent in attending fire investigation courses offered by the bureau. Volunteer firefighters or peace officers from political subdivisions shall be reimbursed at a rate not to exceed \$35 per day plus expenses incurred in attending fire investigation training courses offered by the bureau. Reimbursement shall be made only in the event that both a peace officer and a firefighter from the same political subdivision attend the same training course. An officer from the county sheriffs office shall satisfy the reimbursement requirement in the event a political subdivision does not have a local police department.

\$25,000 is for use by the commissioner for reimbursing political subdivisions who enter into agreements to perform uniform fire code inspections required by chapters 299F and 299I. Nothing herein shall be construed as shifting or imposing any tort liability on political subdivisions that perform fire code inspections under agreement with the commissioner.

	1978	1979
	\$	\$
<p>The commissioner of public safety may transfer unencumbered balances among the items listed in this subdivision.</p>		

These appropriations are available until June 30, 1979.

Subd. 3. For overtime, lodging, and expense costs of highway patrol personnel directly attributable to the power line dispute	1,000,000
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Subd. 4. The limitation in Laws 1977, Chapter 455, Section 51 on fiscal 1978 and 1979 spending for air patrolling of highways is cancelled. The commissioner of public safety may assign up to nine pilots to the air patrolling of highways. Notwithstanding the provisions of that section, the commissioner of public safety need not continue the air watch traffic patrol.

Subd. 5. Money appropriated for a study of noise monitoring devices by Laws 1977, Chapter 454, Section 3, Subdivision 11 is available until June 30, 1979.

Subd. 6. For training of highway patrol personnel	50,000
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This appropriation is from the trunk highway fund.

Sec. 20. CRIME CONTROL PLANNING BOARD

Approved Complement—subtract 12

General—subtract 3	500,000
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Federal—subtract 9

Subdivision 1. To offset a decline in appropriations of federal money

Of this appropriation, \$196,000 is for grants to regional and local units of government for planning purposes.

This appropriation is added to the appropriation for fiscal year 1979 in Laws 1977, Chapter 455, Section 11, Subdivision 4.

If federal Part B money received by the board and available for expenditure in fiscal 1979 exceeds \$535,000, this appropriation is reduced by the amount of the excess, with 57 percent of the reduction allocated to the

	1978	1979
	\$	\$
appropriation for grants to regional and local units of government for planning purposes.		
Subd. 2. For grants for youth intervention programs, pursuant to section 97 of this act	250,000	
This appropriation is available until June 30, 1979.		
Sec. 21. HUMAN RIGHTS		32,900
Approved Complement		
General—add 1		
Sec. 22. HOUSING FINANCE AGENCY		
Approved Complement		
1979-99		
The spending limit on cost of general administration of agency programs for fiscal year 1979 is \$2,235,037.		
Sec. 23. DEPARTMENT OF EDUCATION		
Approved Complement		
1979		
General—add 1		
Subdivision 1. For the purpose of planning an educational residential facility for blind and multiply handicapped students and for remodeling at the Minnesota school for the deaf to provide temporary accommodations for the multiply handicapped students presently residing in Dow Hall at the Minnesota braille and sight-saving school	123,700	
This appropriation is available until June 30, 1979.		
Subd. 2. Substitutes for teachers assisting the board of teaching, pursuant to section 125.183, subdivision 6		25,900
Subd. 3. Of the appropriation in Laws 1977, Chapter 449, Section 2, Subdivision 3, Clause (a), for fiscal 1978, \$150,000 is available until June 30, 1979 for ancillary and support services, which may be provided for by contract or otherwise, and \$40,000		

1978

1979

\$

\$

is available until June 30, 1979 for the salary and expenses of the state schools coordinator, both at the Minnesota school for the deaf and the braille and sight-saving school.

Subd. 4. For the purpose of payments to school districts for preschool screening programs

410,000

This appropriation is in addition to the sum appropriated for this purpose for fiscal year 1978 in Laws 1977, Chapter 437, Section 6, Subdivision 2, Clause (b).

The rules adopted by the state board of education and the commissioner of health to govern the preschool screening program shall unconditionally permit registered nurses to perform those components of the screening program that can be performed by a nurse.

In selecting personnel to implement the preschool screening program, school districts shall give priority first to volunteers and second to persons possessing the minimum qualifications required by the rules adopted by the state board of education and the commissioner of health.

No preschool screening program shall provide laboratory tests, a health history or a physical exam to any child who has been provided with those laboratory tests or a health history or physical examination within the previous 12 months. The school district shall request the results of any laboratory test, health history or physical examination within the 12 months preceding a scheduled preschool screening clinic.

Sec. 24. STATE HORTICULTURAL SOCIETY

For the garden state project

55,700

Sec. 25. MINNESOTA HISTORICAL SOCIETY

Subdivision 1. Operations, management, and maintenance of Hill House

153,892

This appropriation is available until June 30, 1979.

	1978	1979
\$		\$

Subd. 2. For payment to the Minnesota International Center for its educational, cultural, and economic programs

15,000

This appropriation is available until June 30, 1979.

Sec. 26. STATE ARTS BOARD

35,000

To be distributed by the board immediately upon receipt to the West Central Minnesota Educational Television station. The money may be used to defer operating and debt expenses of the station.

This appropriation is available until expended.

Sec. 27. TRANSPORTATION

Approved Complement

Trunk Highway—subtract 7

Subdivision 1. For public transit assistance 1,300,000

This appropriation is added to the appropriation for special services for the handicapped grants in Laws 1977, Chapter 454, Section 5, Subdivision 1. Of the total of these two appropriations, 80 percent shall be paid to the Twin Cities area metropolitan transit commission for continuation and expansion of "project mobility" and 20 percent shall be transferred to the appropriation in that subdivision for paratransit service demonstration grant programs and shall be used for grants for special services for the handicapped in the metropolitan area. The amount for "project mobility" shall be paid pursuant to the public transit subsidy program without regard to the operating deficit of the project. The amount to be used for paratransit service demonstration grants shall not be subject to the \$1,000,000 limitation on grants to the metropolitan transit commission imposed by Laws 1977, Chapter 454, Section 5, Subdivision 1.

Any person operating or assisting the operation of a vehicle while employed by a program such as "project mobility" may leave the vehicle to enter premises in order to assist a person who does not require emergency ambulance service to gain access and entrance to the vehicle.

	1978	1979
\$	\$	
Subd. 2. For a study of informational needs of travelers and visitors		40,000

The commissioner of transportation shall, in cooperation with the commissioner of economic development and other interested parties, conduct a survey of providers and users of facilities in Minnesota oriented to tourists and other travelers and visitors to identify their informational needs including but not limited to directional signing and recommend to the legislature by January 1, 1979 alternative proposals for providing information to motorists about Minnesota facilities.

The commissioners of transportation and economic development shall prepare and submit a work program by May 17, 1978 and furnish reports every two months to the legislative commission on Minnesota resources. None of the moneys provided in this subdivision may be expended unless the commission has approved the work program.

Sec. 28. HEALTH

Subdivision 1. To provide money for continuation of implementation of a statewide licensing system for health related licensing boards

100,000

This appropriation is available until June 30, 1979.

Subd. 2. To furnish health services pursuant to the 1976 edition of Minnesota Statutes, Section 145.922, Subdivision 1

75,000

Subd. 3. To furnish Indian health services pursuant to Minnesota Statutes, Section 145.922, Subdivision 2

75,000

Subd. 4. For wells, soil and chemical analysis, geological and hydrological studies, well abandonment and laboratory testing for model design

200,000

This appropriation is available until June 30, 1979.

Subd. 5. Of the appropriation made in Laws 1977, Chapter 455, Section 10, Subdivision 2, up to \$100,000 may be expended under the provisions of Minnesota Statutes,

	1978	1979
	\$	\$

Section 3.30, for a monitoring program of the + or - 400 kv direct current and the 500 kv alternating current transmission lines presently under construction in Minnesota. The commissioner of health shall supervise the monitoring program, which shall be directed toward features of the lines posing possible health and safety risks for individuals and livestock.

The commissioner of health shall report the results of the monitoring to the legislature by March 1, 1979. This subdivision is effective July 1, 1978.

Sec. 29. CORRECTIONS

Subdivision 1. To the prison revolving account to replace fire losses to raw materials in the cordage building in June, 1977	80,000
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Subd. 2. To pay legal settlement awarded an inmate for damage to his hand in an industrial accident	50,000
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Subd. 3. To establish a secure recreation area at the Northwest Regional Correction Center	11,500
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This appropriation is available until June 30, 1979.

Sec. 30. PUBLIC WELFARE

Approved Complement

Program and administrative support—add 3

Subdivision 1. Alcohol and drug abuse programs for American Indians	47,500
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This appropriation is added to the appropriation in Laws 1976, Chapter 125, Section 10, Subdivision 3.

Subd. 2. The appropriation made in Laws 1977, Chapter 453, Section 21 for expenditure in Ramsey, Washington and Dakota counties shall be proportionately distributed to the appropriate county welfare departments on the basis of each county's census of mentally ill residents at Hastings state hospital for the five year period ending May 1, 1978. These counties shall expend this appropriation for residential mental health treatment for residents who were discharged from Hastings state hospital after June 30,

1978

1979

\$

\$

1973. This appropriation shall be used by the counties as reimbursement for treatment provided between May 20, 1977 and June 30, 1979. Ramsey, Washington and Dakota counties shall each present a report to the 1979 legislature detailing the expenditure of this appropriation. This is a final and non-recurring appropriation.

Sec. 31. UNEMPLOYMENT COMPENSATION

To the commissioner of finance for transfer to the unemployment compensation fund in reimbursement for unemployment compensation benefits paid to former employees of the bicentennial commission

11,135

Sec. 32. Minnesota Statutes 1976, Section 3.736, Subdivision 7, is amended to read:

Subd. 7. [PAYMENT.] A state agency, including any entity defined as part of the state in section 3.732, subdivision 1, clause (1), incurring a tort claim judgment or settlement obligation or whose employees acting within the scope of their employment incur the obligation *may shall seek approval to make* payment *from money appropriated for this purpose* by submitting a written request to the commissioner of finance. The request shall contain a description of the tort claim precipitating the request, specify the amount of the obligation and be accompanied by copies of judgments, settlement agreements or other documentation relevant to the obligation for which the agency is seeking payment. Upon receipt of the request and review of the claim, the commissioner of finance shall *transfer money necessary to pay the obligation to the agency determine the proper appropriation from which to make* payment. *If there is sufficient money in an appropriation or combination of appropriations to the agency for its general operations and management to allow the claim to be paid from that source without unduly hindering the operation of the agency, the commissioner shall direct that payment be made from that source.* Claims relating to activities paid for by appropriations of dedicated receipts shall be paid from those appropriations if practicable. If the commissioner determines that an agency has sufficient money in these appropriations to pay only part of a claim, the commissioner shall pay the remainder of the claim from the money appropriated to him for this purpose. If the commissioner determines that the agency does not have sufficient money to pay any part of the claim, the commissioner shall pay all of the claim from money appropriated to him for this purpose. On January 1 and July 1 of each year, the commissioner of finance shall transmit to the legislature and to the chairmen of the house appropriations and senate finance committees copies of all requests in the preceding six months together with a report on the *transfers payments* made with respect

to each request. Payment shall be made only upon receipt of a written release by the claimant in a form approved by the attorney general, or the person designated as the university attorney, as the case may be.

No attachment or execution shall issue against the state.

Sec. 33. Minnesota Statutes 1976, Section 3.98, Subdivision 3, is amended to read:

Subd. 3. A copy of the fiscal note shall be delivered to the chairman of the committee of appropriations of the house of representatives, the chairman of the committee of finance of the senate, the chairman of the standing committee to which the bill has been referred, to the chief author of the bill and to the commissioner of ~~administration~~ *finance*.

Sec. 34. Minnesota Statutes 1976, Section 3.98, Subdivision 4, is amended to read:

Subd. 4. The commissioner of ~~administration~~ *finance* shall prescribe a uniform procedure to govern the departments and agencies of the state in complying with the requirements of this section.

Sec. 35. Minnesota Statutes 1976, Section 10.15, is amended to read:

10.15 [TIME OF CANCELATION.] No draft or account for a sum in excess of \$25 \$100 shall be canceled until more than six years after the issuance of such draft or the due date of such account, and nothing in sections 10.12 to 10.15 shall be construed as a cancellation or abandonment of the state's claim against the person or corporation against whom the canceled draft was drawn or account held, but the state shall nevertheless have authority to make collection thereof.

Sec. 36. Minnesota Statutes 1976, Section 10A.02, Subdivision 1, as amended by Laws 1978, Chapter 463, Section 19, is amended to read:

10A.02 [BOARD OF ETHICAL PRACTICES.] Subdivision 1. There is hereby created a state ethical practices board composed of six members. The members shall be appointed by the governor with the advice and consent of three-fifths of both the senate and the house of representatives acting separately. If either house fails to confirm the appointment of a board member within 45 legislative days after his appointment, *or by adjournment sine die, whichever occurs first*, the appointment shall terminate on the day following the 45th legislative day *or on adjournment sine die, whichever occurs first*. *If either house votes not to confirm an appointment, the appointment terminates on the day following the vote not to confirm.* One member shall be a former member of the legislature from a major political party different from that of the governor; one member shall be a former member of the legislature from the same political party as the governor; two members shall be persons who have not been public officials, held any political party office other than precinct delegate, or been elected to public office for which party designation is required by statute

in the three years preceding the date of their appointment; and the other two members shall not support the same political party. No more than three of the members of the board shall support the same political party.

Sec. 37. Minnesota Statutes 1976, Section 10A.20, Subdivision 3, as amended by Laws 1978, Chapter 463, Section 52, is amended to read:

Subd. 3. Each report under this section shall disclose:

(a) The amount of liquid assets on hand at the beginning of the reporting period;

(b) The name, address and employer, or occupation if self-employed, of each individual, political committee or political fund who within the year has made one or more transfers or donations in kind to the political committee or political fund, including the purchase of tickets for all fund raising efforts, which in aggregate exceed \$50 for legislative candidates or \$100 for statewide candidates, together with the amount and date of each transfer or donation in kind, and the aggregate amount of transfers and donations in kind within the year from each source so disclosed. A donation in kind shall be disclosed at its fair market value. An approved expenditure is listed as a donation in kind. A donation in kind is considered consumed in the reporting period in which it is received. The names of contributors shall be listed in alphabetical order;

(c) The sum of contributions to the political committee or political fund during the reporting period;

(d) Each loan made or received by the political committee or political fund within the year in aggregate in excess of \$100, continuously reported until repaid or forgiven, together with the name, address, occupation and the principal place of business, if any, of the lender and any endorser and the date and amount of the loan. If any loan made to the principal campaign committee of a candidate is forgiven at any time or repaid by any entity other than that principal campaign committee, it shall be reported as a contribution for the year in which the loan was made;

(e) Each receipt in excess of \$100 not otherwise listed under clauses (b) to (d);

(f) The sum of all receipts of the political committee or political fund during the reporting period;

(g) The name and address of each individual or association to whom aggregate expenditures, including approved expenditures, have been made by or on behalf of the political committee or political fund within the year in excess of \$100, together with the amount, date and purpose of each expenditure and the name and address of, and office sought by, each candidate on whose behalf the expenditure was made and, in the case of independent expenditures made in opposition to a candidate, the name, address and office sought for each such candidate;

(h) The sum of all expenditures made by or on behalf of the political committee or political fund during the reporting period;

(i) The amount and nature of any advance of credit incurred by the political committee or political fund, continuously reported until paid or forgiven. If any advance of credit incurred by the principal campaign committee of a candidate is forgiven at any time by the creditor or paid by any entity other than that principal campaign committee, it shall be reported as a donation in kind for the year in which the advance of credit was incurred;

(j) The name and address of each political committee, political fund, or principal campaign committee to which aggregate transfers in excess of \$100 have been made within the year, together with the amount and date of each transfer;

(k) The sum of all transfers made by the political committee, political fund, or principal campaign committee during the reporting period;

(l) *For principal campaign committees only*, the sum of non-campaign disbursements made in each category listed in section 10 of this act by the political committee, political fund, or principal campaign committee during the reporting period; and

(m) The sum of all noncampaign disbursements made by the political committee, political fund, or principal campaign committee during the reporting period.

Sec. 38. Minnesota Statutes 1976, Section 10A.27, Subdivision 4, as amended by Laws 1978, Chapter 463, Section 78, is amended to read:

Subd. 4. For the purposes of this section, a political party means the aggregate of the party organization within each house of the legislature, *the state party organization*, and the party organization within congressional districts, counties, legislative districts, municipalities, and precincts.

Sec. 39. Minnesota Statutes 1976, Section 10A.32, Subdivision 3, as amended by Laws 1978, Chapter 463, Section 98, is amended to read:

Subd. 3. As a condition of receiving any moneys from the state elections campaign fund, a candidate shall agree by stating in writing to the board that (a) his expenditures and approved expenditures shall not exceed the expenditure limits as set forth in section 10A.25 and that (b) he shall not accept contributions or allow approved expenditures to be made on his behalf for the period beginning with January 1 of the election year or with the registration of his principal campaign committee, whichever occurs later, and ending December 31 of the election year, which aggregate contributions and approved expenditures exceed the difference between the amount which may legally be expended by him or on his behalf, and the amount which he receives from the state elections campaign fund. The agreement, insofar as it relates to the expenditure limits set forth in section

10A.25, remains effective until the dissolution of the principal campaign committee of the candidate or the opening of filings for the next succeeding election to the office held or sought at the time of agreement, whichever occurs first. Beginning in 1980, money in the account of the principal campaign committee of a candidate on January 1 of the election year for the office held or sought shall be considered contributions accepted by that candidate in that year for the purposes of this subdivision. Notwithstanding the effective date of this section, for 1978, the period for determining the aggregate contribution and approved expenditure limit agreed to pursuant to this subdivision shall begin January 1, 1978. That amount of all contributions accepted by a candidate in an election year which equals the amount of noncampaign disbursements made by that candidate in that year, and the amount of contributions received and approved expenditures made between January 1, 1978, and February 28, 1978 which equals the amount of expenditures made between January 1, 1978, and February 28, 1978, for goods consumed and services used before February 28, 1978, shall not count toward the aggregate contributions and approved expenditure limit imposed by this subdivision. Any amount by which his aggregate contributions and approved expenditures agreed to under clause (b) exceed the difference shall be returned to the state treasurer in the manner provided in subdivision 2. In no case shall the amount returned exceed the amount received from the state elections campaign fund.

The candidate may submit his signed agreement to the filing officer on the day he files his affidavit of candidacy or petition to appear on the ballot, or he may submit the agreement to the board no later than September 1.

The board prior to the first day of filing for office shall forward forms for the agreement to all filing officers. The filing officer shall without delay forward signed agreements to the board. An agreement may not be rescinded after September 1.

For the purposes of this subdivision only, the total amount to be distributed to each candidate is calculated to be his share of the total estimated funds in his party account as provided in subdivision 3a, plus the total amount estimated as provided in subdivision 3a to be in the general account of the state elections campaign fund and set aside for that office divided by the number of candidates whose names are to appear on the general election ballot for that office. If for any reason the amount actually received by the candidate is greater than his share of the estimate, and his contributions thereby exceed the difference, the agreement shall not be considered violated.

Sec. 40. Minnesota Statutes, 1977 Supplement, Section 15A.083, Subdivision 4, is amended to read:

Subd. 4. [RANGES FOR OTHER JUDICIAL POSITIONS.] Salaries or salary ranges are provided for the following positions in the judicial branch of government. The appointing authority of positions for which ranges have been provided shall fix individual salaries under the provisions of sections 15A.081, subdivision 2.

Public defender	\$35,000
State court administrator	27,400-37,400
District administrator	25,000-35,000
County attorneys	
council executive director	20,400-29,700

Sec. 41. Minnesota Statutes, 1977 Supplement, Section 15A.083, is amended by adding a subdivision to read:

Subd. 4a. The salary of the state court administrator shall not exceed 90 percent of the salary of an associate justice of the supreme court.

Sec. 42. Minnesota Statutes, 1977 Supplement, Section 16.125, Subdivision 1, is amended to read:

16.125 [TRANSFER OF PERSONNEL, POWERS, DUTIES.] Subdivision 1. The commissioner of administration, in order to improve efficiency or avoid duplication, may transfer *personnel*, powers, or duties, and *personnel necessary to perform the powers or duties, or any combination of them, from a department or agency to another department or agency that has been in existence for at least one year prior to the date of transfer. A transfer must have received the prior approval of the governor. The commissioner of administration shall no later than January 15 of each year submit to the legislature a bill making all statutory changes required by reorganization orders issued by the commissioner during the preceding calendar year.*

Sec. 43. Minnesota Statutes, 1977 Supplement, Section 16.125, Subdivision 3, is amended to read:

Subd. 3. The commissioner of finance shall determine the fractional part of the appropriation to the department or agency from which the *personnel*, power, or duty is transferred represented by that transferred *personnel*, power, or duty, and that part of the appropriation is hereby reappropriated to the transferee department or agency.

Sec. 44. Minnesota Statutes 1976, Section 16.32, Subdivision 1, is amended to read:

16.32 [PLANS AND SPECIFICATIONS; LIMITATIONS.] Subdivision 1. *When an appropriation is made to the commissioner of administration for an improvement or building costing more than \$50,000, he shall prepare the plans for all improvements or buildings costing more than \$1,000, for which he may recommend an appropriation it. These plans shall be paid for out of any money in the state treasury, not otherwise appropriated, but when an appropriation has been made for the purpose of improving or constructing such the building, the fund from which payment for plans was made shall be reimbursed from such appropriation, and. No part of the balance shall be expended until the commissioner has secured suitable plans and specifications, prepared by a competent architect or engineer, and accompanied by a detailed state-*

ment of the amount, quality, and description of all material and labor required for the completion of the work ; and . No plan shall be adopted, and no improvement made or building constructed, that contemplates the expenditure for its completion of more money than the appropriation therefor, unless otherwise provided in the act making the appropriation. In no event shall the commissioner direct or permit any expenditure beyond that appropriated or contemplated by law , and any agent of the commissioner violating this provision shall be guilty of a gross misdemeanor.

Sec. 45. Minnesota Statutes, 1977 Supplement, Section 16.72, Subdivision 7, is amended to read:

Subd. 7. [SURCHARGE FOR VEHICLES OCCUPIED BY ONE PERSON.] The commissioner of administration shall impose a surcharge of 25 percent for vehicles occupied by only one person parking in a state parking facility in the capitol area, as described by section 15.50, subdivision 2. The revenue from this additional charge shall be placed by the commissioner in a special account. For the benefit of employees employed in the capitol area, the money in the account is *appropriated to the commissioner and shall be used by the commissioner to acquire or lease commuter vans pursuant to section 16.756 and, within such limits and upon such conditions as the commissioner determines to be necessary, to reimburse state departments or agencies for costs resulting from agreements with the metropolitan transit commission or other operators pursuant to section 473.409. The commissioner may adopt rules necessary to administer the provisions of this subdivision, subdivision 5, and section 473.409. The rules may exempt from the surcharge vehicles operated by persons who the commissioner determines have job requirements that make car pooling impractical.*

Sec. 46. Minnesota Statutes 1976, Section 16A.128, is amended to read:

16A.128 [FEE ADJUSTMENTS.] The fees fixed for the various accounts for which appropriations are made by law, shall be neither increased nor decreased except with the approval of the commissioner of finance. All such fees shall be reviewed at least once each six months, and such adjustments shall be made to the end that the total fees received shall approximate the amount appropriated for the several funds. *Fee adjustments authorized under this section may be made without a public hearing when the total fees will not exceed the amount of the direct appropriation.*

Sec. 47. Minnesota Statutes 1976, Section 16A.15, Subdivision 1, is amended to read:

16A.15 [ACCOUNTING SYSTEM; ALLOTMENT AND ENCUMBRANCE.] Subdivision 1. [REDUCTION.] In case the commissioner of finance shall discover at any time that the probable receipts from taxes or other sources for any appropriation, fund, or item will be less than was anticipated, and that consequently the amount available for the remainder of the term of the appropriation or for any allotment period will be less than the

amount estimated or allotted therefor, he shall notify the commissioner of administration who shall, with the approval of the governor, and after notice to the agency concerned, request the commissioner of finance to reduce the amount allotted or to be allotted so as to prevent a deficit. In like manner he shall request reduction of the amount allotted or to be allotted to any agency by the amount of any saving which can be effected upon previous spending plans through a reduction in prices or other cause.

Sec. 48. Minnesota Statutes 1976, Chapter 16A, is amended by adding a section to read:

[16A.276] [CASH OVERAGE AND SHORTAGE ACCOUNT.] *The commissioner of finance may establish accounts to record on a daily basis discrepancies between actual cash receipts and recorded cash receipts including losses from forged and uncollectible checks. At the end of each fiscal year, these accounts shall be cleared by transferring balances to the general fund and paying all deficits from the operating accounts of the various agencies generating the deficit. A report of all adjustments shall be made to the legislative audit commission upon closing the books of account each fiscal year.*

Sec. 49. Minnesota Statutes 1976, Chapter 16A, is amended by adding a section to read:

[16A.281] [LEGISLATIVE APPROPRIATIONS.] *Section 16A.28 is inapplicable to appropriations made to the legislature, the senate, the house of representatives or its committees or commissions. An appropriation made to the legislature, the senate, the house of representatives or their standing committees for a fiscal biennium or any part thereof shall be available for expenditure in either year of the biennium or for the fiscal year preceding or following the biennium. An appropriation made to a committee or commission of the legislature if unexpended during the first year of a fiscal biennium is available for expenditure during the second year thereof, but any unexpended balance remaining at the end of the biennium shall lapse and be returned to the fund from which appropriated.*

Sec. 50. Minnesota Statutes 1976, Section 16A.60, is amended to read:

16A.60 [COMMISSIONER OF FINANCE TO REIMBURSE GENERAL FUND.] *The commissioner of finance is directed to deduct or reserve, as authorized from time to time by law, shall transfer from the highway user tax distribution fund to the general fund a sufficient sum of money which shall constitute a special account for the payment of to reimburse the general fund for the costs of collecting the taxes provided for in Article 14 of the Constitution of the State of Minnesota and for payment of refunds of such taxes as is authorized by law. A sum of money sufficient for such purpose is appropriated from the highway user tax distribution fund. Thereafter all moneys in the highway user tax distribution fund not needed to reimburse such special account for money paid out of such special account for refunds and collection costs shall be transferred as provided in Article 14 of the Constitution of the State of Minnesota.*

Sec. 51. Minnesota Statutes 1976, Section 16A.67, Subdivision 2, is amended to read:

Subd. 2. Whenever it becomes necessary in order to avoid a deficiency in the general fund for the payment of warrants issued or to be issued against such fund pursuant to appropriations, the governor may authorize the issuance and sale of certificates of indebtedness of the state pursuant to and in accordance with Article 11, Section 6, of the Constitution, in anticipation of the collection of taxes levied for any other revenues appropriated to the fund for expenditure during the current biennium. To determine such necessity the governor shall obtain from the commissioner of revenue ~~finance~~ an estimate of the probable receipts from taxes and from the commissioner of administration, an estimate of the probable receipts from other sources for the fund during the biennium, and from the commissioner of finance a statement of the total amount appropriated for expenditure from the fund during the biennium and the total amount of warrants drawn thereon to date, and from the state treasurer a statement of the cash balance in the fund. The total amount of certificates of indebtedness issued, plus the total amount of outstanding certificates of indebtedness issued against the same fund, plus the interest from date of issue to maturity on all such certificates of indebtedness, plus the total amount of warrants drawn on the fund during the current biennium and any interest theretofore paid on such warrants, plus the total cash balance then on hand in the fund, shall not exceed (a) the total amount appropriated for expenditure from the fund or (b) the total estimated collections of taxes and other revenues appropriated to the fund for the biennium, whichever is less; and the total amount of such certificates issued and outstanding at any time shall not exceed \$100,000,000.

Sec. 52. Minnesota Statutes 1976, Chapter 16A, is amended by adding a section to read:

[16A.721] [FEES FROM SEMINARS AND WORKSHOPS.] *The commissioner of finance may adopt rules for charging fees for seminars and workshops conducted by state agencies. The commissioner may establish an account for deposit of seminar and workshop fee receipts generated, which are appropriated for payment of expenses relating to the workshops and seminars. The commissioner shall not allow the unobligated balance of this account to exceed \$10,000. This provision applies to fiscal year 1979.*

Sec. 53. Minnesota Statutes 1976, Section 43.064, is amended to read:

43.064 [OTHER SALARIES SET BY COMMISSIONER OF PERSONNEL.] Notwithstanding any other law to the contrary, salaries for all unclassified positions in the executive branch not enumerated in the listing described in section 15A.081, shall be established by the commissioner of personnel except for the following: (1) positions listed in section 15A.083; (2) positions listed in section 299D.03; (3) employees in the office of the governor whose salaries shall be determined by the governor;

(4) employees in the office of the attorney general; (5) positions in the state university system, the community college system, and in the higher education coordinating board whose primary duties consist of instructing and counseling students, directing academic programs of schools, divisions or departments of colleges and community colleges, or conducting research on academic subjects, and the positions of state university presidents. Individual salaries for positions enumerated in clauses (4) and (5) shall be determined by the attorney general, the state university board, the state board for community colleges, and the higher education coordinating board, respectively, within the limits of salary plans which shall have been approved by the commissioner of personnel before becoming effective.

No provision of any subsequent law relating to salaries of state employees shall be construed as inconsistent with this section unless it is expressly provided in such subsequent act that the provisions of this section shall not be applicable or shall be superseded, amended, or repealed.

Sec. 54. Minnesota Statutes, 1977 Supplement, Section 43.067, Subdivision 1, is amended to read:

43.067 [SALARY LIMITS.] Subdivision 1. [AGENCY HEADS AND DEPUTIES.] The base salary of the head of any state department or other agency in the executive branch shall serve as the upper limit to compensation in the agency. *The base salary of the chancellor of the state university system is the upper limit of compensation of state university presidents.* Within the agency, no person other than the agency head shall be paid more than the base salary that is or would be paid a deputy agency head pursuant to section 15A.081 whether or not there is a deputy agency head position for that agency.

Sec. 55. Minnesota Statutes 1976, Section 43.12, is amended by adding a subdivision to read:

Subd. 27. Notwithstanding the provisions of this section or any other law to the contrary, the commissioner of personnel may establish a system of incentive commission rates for those state employees engaged in the sale of products manufactured or processed at state adult correctional institutions.

Sec. 56. Minnesota Statutes, 1977 Supplement, Section 43.42, is amended to read:

43.42 [INSURANCE BENEFITS; INTENT.] Subdivision 1. It is the intent of sections 43.42 to 43.49 to provide certain state employees with basic life insurance, basic dental insurance, and basic health benefits coverage, including such basic health benefits coverage as the commissioner may make available from prepaid group practice plans, to be paid for by the state and to authorize an eligible state employee to enroll himself, and his dependents in such optional coverages as are made available therefor by the commissioner to be paid for by the employee through payroll deductions. Optional group coverages may include additional life insurance, auto insurance, disability insurance, dental insurance, legal insurance, homeowners insurance, and vision insurance.

Subd. 2. [JUDGES' INSURANCE COVERAGE.] Any county or county municipal judge in office prior to July 1, 1977 shall be eligible for basic life insurance at state expense and additional life insurance at the judge's expense, by payroll deduction, equal to the amount of life insurance coverage carried by him on June 30, 1977 under county policies, not to exceed the maximum group life coverage available under the state employee's contract effective on July 1, 1977.

Sec. 57. Minnesota Statutes, 1977 Supplement, Section 43.43, Subdivision 2, is amended to read:

Subd. 2. "State employee" for the purpose of determining eligibility for the basic life insurance and basic health benefits coverage hereunder means:

(1) An employee in the classified service of the state civil service paid on a state payroll;

(2) An employee in the unclassified service of the state paid on a state payroll who is not excluded from any of the provisions of sections 43.42 to 43.49;

(3) A permanent employee of the legislature or a permanent employee of a permanent study or interim committee or commission;

(4) A judge of the supreme court or an officer or employee of such court; a judge of the district court, a judge of county court, a judge of county municipal court, a judge of probate court; *a district administrator; and the employees of the offices of the district administrators of the fifth and eighth judicial districts until July 1, 1979;*

(5) A salaried employee of the public employees retirement association;

(6) Full time military or civilian personnel in the unclassified service of the department of military affairs whose salary is paid from state funds;

(7) A salaried employee of the Minnesota historical society, whether paid from state funds or otherwise, who is not a member of the governing board;

(8) An employee of the regents of the University of Minnesota, who is a member of the academic staff with the rank of instructor, research fellow, or above, including a lecturer, serving on not less than 75 percent regular appointment;

(9) An employee of the regents of the University of Minnesota and a member of the civil service staff under the civil service plan, adopted by the university of Minnesota, who is employed on a monthly salaried appointment;

(10) An employee of the state university board or the state board for community colleges who is a member of the academic staff, who is employed for not less than a 75 percent time basis, and who is paid on a state salary payroll; or

(11) An employee of the state university board or the state

board for community colleges who is either in the classified service or the unclassified service of the state civil service whose salary is paid from the university board of the state of Minnesota revenue fund, the university activity fund, or the community college activity fund. The required premium payment of such an employee is to be paid, however, from the fund from which the employee's salary is paid.

(12) A member of the state legislature.

(13) A seasonal employee of the waters, soils and minerals division of the state department of natural resources whose duties include the sampling, weighing or grading of iron ore, taconite, or other minerals; provided that the employee shall receive the benefits provided in sections 43.42 to 43.50, at no cost to the employee for the period in each calendar year when the employee is not working at his occupation, and the premiums therefor shall be paid from the same salary fund or account as the salary of the employee.

(14) A person employed in the state service as a pre-service trainee on a full time basis.

Sec. 58. Minnesota Statutes 1976, Section 60A.13, Subdivision 7, is amended to read:

Subd. 7. [EXCEPTIONS.] (1) To file statement. No fraternal beneficiary association, nor any social corporation paying only sick benefits not exceeding \$250 in any one year, or funeral benefits, or aiding those dependent on a member not more than \$350, nor any subordinate lodge or council which is, or whose members are, assessed for benefits which are payable by a grand body, shall be required to make such statements.

(2) To prepare abstract and publish. The commissioner shall not be required to prepare abstracts of the annual statement of fraternal beneficiary associations and reciprocal or interinsurance exchanges, nor shall such associations or exchanges be required to publish an abstract or summary of the statement.

Sec. 59. Minnesota Statutes 1976, Section 60A.14, Subdivision 1, is amended to read:

60A.14 [FEES.] Subdivision 1. [FEES OTHER THAN EXAMINATION FEES.] In addition to the fees and charges provided for examinations, there shall be paid to the commissioner, and by him accounted for and paid into the state treasury, the following fees:

(1) By township mutual fire insurance companies:

(a) For filing certificate of incorporation \$25 and amendments thereto, \$10;

(b) For filing annual statements, \$15;

(c) For each annual certificate of authority, \$15;

(d) For filing bylaws \$25 and amendments thereto, \$10.

(2) By other domestic and foreign companies including fraternal and reciprocal exchanges:

(a) For filing certified copy of certificate of articles of incorporation, \$50;

(b) For filing annual statement, \$30;

(c) For filing certified copy of amendment to certificate or articles of incorporation, \$50;

(d) For filing bylaws or amendments thereto, \$10;

(e) Each company's certificate of authority, \$30, annually;

(f) For abstract or summary of annual statement for publication when prepared by commissioner, \$50.

(3) General fees: (a) For each certificate, including certified copy of certificate of authority, renewal, valuation of life policies, corporate condition or qualification, \$5;

(b) For each copy of paper on file in his office 50 cents per page, and \$2.50 for certifying the same;

(c) For license to procure insurance in unadmitted foreign companies, \$10;

(d) For receiving and forwarding each notice, proof of loss, summons, complaint or other process served upon the commissioner of insurance, as attorney for service of process upon any non-resident agent or insurance company, including reciprocal exchanges, \$5 (which amount shall be paid by the party serving same and may be taxed as other costs in the action);

(e) For valuing the policies of life insurance companies, one cent per one thousand of insurance so valued; (the commissioner may, in lieu of a valuation of the policies of any foreign life insurance company admitted, or applying for admission, to do business in this state, accept a certificate of valuation from such company's own actuary or from the commissioner of insurance of the state or territory in which such company shall be domiciled);

(f) For receiving and filing certificates of policies by the company's actuary, or by the commissioner of insurance of any other state or territory, \$50;

(g) For issuing a non-resident agent's license, \$10;

(h) For taking an examination for one line of insurance, \$10 and an additional \$10 for each examination for an additional line of insurance or for re-examination in any one line;

(i) For each new agent's license requested or for the requested renewal of an existing agent's license, the insurer shall remit \$3; and for each amendment requested on the license, the insurer shall remit \$1.

(4) All fees received by the commissioner pursuant to the provisions of this section shall be paid by him into the state treasury.

Sec. 60. Minnesota Statutes 1976, Section 62A.149, Subdivision 1, is amended to read:

62A.149 [BENEFITS FOR ALCOHOLICS AND DRUG DEPENDENTS.] Subdivision 1. ~~No policy or plan of insurance regulated under this chapter, or subscriber contract offered by a non-profit health service plan corporation regulated under chapter 62C shall be delivered, issued, executed or renewed in this state, or approved for issuance or renewal in this state by the commissioner of insurance unless the policy, plan or contract specifically includes and provides health service benefits to any subscriber or other person covered thereunder, on the same basis as other benefits, for the treatment of alcoholism, chemical dependency or drug addiction in~~ *The provisions of this section shall apply to all group policies of accident and health insurance and group subscriber contracts offered by nonprofit health service plan corporations regulated under chapter 62C, and to a plan or policy that is individually underwritten or provided for a specific individual and the members of his family as a nongroup policy unless the individual elects in writing to refuse benefits under this subdivision in exchange for an appropriate reduction in premiums or subscriber charges under the policy or plan, when the policies or subscriber contracts are issued or delivered in Minnesota or provide benefits to Minnesota residents enrolled thereunder.*

Every insurance policy or subscriber contract included within the provisions of this subdivision, upon issuance or renewal, shall provide for payment of benefits for the treatment of alcoholism, chemical dependency or drug addiction to any Minnesota resident entitled to coverage thereunder on the same basis as coverage for other benefits when treatment is rendered in

- (1) a licensed hospital,
- (2) a residential treatment program as licensed by the state of Minnesota pursuant to diagnosis or recommendation by a doctor of medicine,
- (3) a non-residential treatment program approved or licensed by the state of Minnesota.

~~Provided, however, that the restrictions and requirements of this subdivision shall not apply to any plan or policy which is individually underwritten or provided for a specific individual and the members of his family as a non group policy.~~

Sec. 61. Minnesota Statutes, 1977 Supplement, Section 120.17, Subdivision 7a, is amended to read:

Subd. 7a. [ATTENDANCE AT SCHOOL FOR THE HANDICAPPED.] Responsibility for special instruction and services for a visually disabled or hearing impaired child attending the Minnesota school for the deaf or the Minnesota braille and sight-saving school shall be determined in the following manner:

- (a) The legal residence of the child shall be the school district in which his parent or guardian resides.

(b) When it is determined pursuant to section 128A.05, subdivisions 1 or 2 that the child is entitled to attend either school, the state board shall provide the appropriate educational program for the child. The state board shall make a tuition charge to the child's district of residence for the actual cost of providing the program; provided, however, that the amount of tuition charged shall not exceed \$2,000 for any school year. The district of the child's residence shall pay the tuition and may claim foundation aid for the child. All tuition so received shall be deposited in the state treasury.

(c) When it is determined that the child can benefit from public school enrollment but that the child should also remain in attendance at the applicable school, the school district where the institution is located shall provide an appropriate educational program for the child and shall make a tuition charge to the state board for the actual cost of providing the program, less any amount of aid received pursuant to section 124.32. The state board shall pay the tuition and other program costs including the unreimbursed transportation costs. Aids for handicapped children shall be paid to the district providing the special instruction and services. Special transportation shall be provided by the district providing the educational program and the state shall reimburse such district within the limits provided by law;

(d) Notwithstanding the provisions of clauses (b) and (c), the state board may agree to make a tuition charge for less than the amount specified in clause (b) for pupils attending the applicable school who are residents of the district where the institution is located and who do not board at the institution, if that district agrees to make a tuition charge to the state board for less than the amount specified in clause (c) for providing appropriate educational programs to pupils attending the applicable school.

(e) *Notwithstanding the provisions of clauses (b) and (c), the state board may agree to supply staff from the Minnesota School for the Deaf and the Minnesota Braille and Sight-Saving School to participate in the programs provided by the district where the institutions are located when the programs are provided to students in attendance at the state schools.*

Sec. 62. Minnesota Statutes 1976, Section 125.183, is amended by adding a subdivision to read:

Subd. 6. The board may reimburse local school districts for the costs of substitute teachers employed when regular teachers are providing professional assistance to the state by serving on the board or on a committee or task force appointed by the board and charged to make recommendations concerning standards for teacher licensure in this state.

Sec. 63. Minnesota Statutes 1976, Section 136A.29, Subdivision 9, is amended to read:

Subd. 9. The authority is authorized and empowered to issue revenue bonds whose aggregate principal amount at any time shall not exceed \$62,000,000 \$100,000,000 and to issue notes, bond an-

ticipation notes, and revenue refunding bonds of the authority under the provisions of sections 136A.25 to 136A.42, to provide funds for acquiring, constructing, reconstructing, enlarging, remodeling, renovating, improving, furnishing, or equipping one or more projects or parts thereof. During the biennium commencing July 1, 1973, not more than \$20,000,000 shall be used for financing new construction, and not more than 50 percent of the amount used for new construction shall be used for construction projects which expand the capacity of institutions. An issue of revenue bonds authorized to be issued for a biennium under this subdivision may be sold and delivered in a later biennium, without being charged against the amount of bonds authorized to be issued in the later biennium, if the authority shall have approved an application from a participating institution of higher education in respect of the project or bonds or shall have entered into a contract for purchase or construction of a project or shall have adopted a resolution to issue and sell the bonds during the preceding biennium.

Sec. 64. Minnesota Statutes, 1977 Supplement, Section 136A.55, is amended to read:

136A.55 [POST-SECONDARY EDUCATION CONSORTIUM; CREATION.] *Subdivision 1.* There is hereby created a post-secondary education consortium for southwestern and west central Minnesota which shall have its principal office at southwest state university at Marshall. The purpose of the consortium shall be to improve the efficiency and effectiveness of post-secondary education, through increased interinstitutional cooperation and planning, in the area served by southwest state university and the university of Minnesota at Morris.

Subd. 2. The consortium shall be coordinated by a southwestern and west central Minnesota post-secondary education consortium board consisting of: the provost of the university of Minnesota, or his designee; the chancellor of the state university system, or his designee; the chancellor of the community college system, or his designee; the assistant commissioner for vocational-technical education within the state department of education, or his designee; the executive director of the higher education coordinating board, or his designee; and three persons representing the public at large who shall be appointed by the governor.

Subd. 3. The board shall appoint an advisory committee consisting of: the provost at the university of Minnesota at Morris; the presidents of southwest state university and the community colleges at Willmar and Worthington; the directors of the vocational-technical institutes located in the area served; and seven citizen members who shall be residents of the area served by southwest state university. The citizen members shall be appointed for terms of two years, except that three of the initial appointments shall be for terms of one year. No more than one citizen member shall be appointed from a county.

Subd. 4. The board is authorized to hire staff and incur other expenses as necessary for the purposes of Laws 1977, Chapter 449

this section. Staff members are in the unclassified service and subject to the provisions of chapters 43 and 352. All expenditures are subject to the requirements of chapter 16A .

Sec. 65. Minnesota Statutes, 1977 Supplement, Section 139.18, Subdivision 2, is amended to read:

Subd. 2. In calculating the amount of contributions received by a public station pursuant to subdivision 1, there shall be excluded: contributions, whether monetary or in kind, from the corporation for public broadcasting; tax generated funds, including payments by public or private elementary and secondary schools; *that portion of any foundation and or corporation donations donation in excess of \$250 from any one contributor in a calendar year ;* contributions from any source if made for the purpose of capital expenditures; and contributions from all sources based outside the state.

Sec. 66. Minnesota Statutes, 1977 Supplement, Section 174.21, is amended to read:

174.21 [PUBLIC TRANSIT ASSISTANCE AND TRANSPORTATION MANAGEMENT PURPOSE.] It is the purpose of sections 174.21 to 174.27 :

(a) to increase vehicle occupancy, to reduce the use of vehicles occupied by only one person and the congestion, pollution, energy consumption, highway damage, and other costs associated with such use ;

(b) to assure that those citizens of this state who are unable by reason of age or incapacity to use regular means of private or public transportation shall have reasonable access to transportation service necessary to permit them to be active, productive, self-supporting and healthy citizens; and

(c) to increase the efficiency and productivity of and benefit from public investments in road space and transportation and transit facilities and systems in the state.

Sec. 67. Minnesota Statutes 1976, Section 222.50, Subdivision 3, is amended to read:

Subd. 3. The director shall have the power to:

(a) Set priorities for the allocation of money or in kind contributions to railroads according to criteria developed by the director. The criteria shall include the anticipated economic and social benefits to the state and to the area being served;

(b) Negotiate and enter into contracts for rail line rehabilitation or other rail service improvement;

(c) Disburse state and federal money for rail service improvements;

(d) Adopt rules necessary to carry out the purposes of sections 222.46 to 222.54 ; and

(e) Acquire elm railroad ties manufactured by Stillwater state

prison inmates and disperse them by sale, lease or otherwise to be used in rail line rehabilitation. The director may negotiate with rail companies concerning the use of the ties. Progress reports on this activity shall be submitted to the senate finance and house appropriations committees on a regular basis.

Sec. 68. [LOAN TO DEPARTMENT OF CORRECTIONS.] *The department of corrections may borrow from the rail service improvement account in the state treasury up to \$150,000 in one loan to be paid back in three equal annual installments with the final payment due three years from the date of the loan. The loan proceeds shall be used to establish a program for converting diseased elm trees into railroad ties at Stillwater state prison.*

Sec. 69. Minnesota Statutes 1976, Section 242.385, Subdivision 1, is amended to read:

242.385 [THE MINNESOTA CORRECTIONAL FACILITY—LINO LAKES.] Subdivision 1. There is hereby established the Minnesota metropolitan training center *Correctional Facility—Lino Lakes*, at Lino Lakes, Minnesota, to which may be delivered for training and treatment children and youth persons committed to the commissioner of corrections by the juvenile courts of this state who, in the opinion of the commissioner, may benefit from the programs available thereat. The general control and management of the training and treatment center facility shall be under the commissioner of corrections.

Sec. 70. 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, 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 per 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 de-

posited 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 cents 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) 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 sulphides 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 sections 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. 71. Minnesota Statutes 1976, Section 299D.03, Subdivision 6, is amended to read:

Subd. 6. [TRAINING PROGRAMS.] The commissioner of public safety may provide training programs for the purpose of obtaining qualified personnel for the highway patrol. Persons accepted by the commissioner of public safety for training under such *this* training program shall be designated highway patrol trainees and shall receive a salary not to exceed 70 percent of the basic salary for patrol officers as such is set forth *prescribed* in subdivision 2, per month during the period of such *the* training. Nothing contained in this subdivision shall be construed to prevent the commissioner of public safety from providing in-service training programs for highway patrol officers. The commissioner of transportation shall furnish the commissioner of public safety with lands and buildings necessary in providing in-service training programs at no cost to the division of highway patrol and the department of public safety shall reimburse the department of transportation for all reasonable costs incurred due to the provision of these training facilities.

Sec. 72. Minnesota Statutes 1976, Section 325.74, Subdivision 1, is amended to read:

325.74 [REMEDIES; SALES OF GOVERNMENT AGENCIES.] Subdivision 1. The chairman of the commerce commission, Any corporation, partnership, trade association, or any person or persons who would suffer injury from any threatened violation of sections 325.64 to 325.76 may maintain an action to enjoin such

actual or threatened violation and proof of actual damages need not be alleged or proved in cases of threatened violation. If a violation or threatened violation of the Minnesota unfair cigarette sales act shall be established, the court shall enjoin such violator or threatened violator, and, in addition thereto, the court shall assess in favor of the plaintiff and against defendant the injuries of the suit including reasonable attorneys fees. Where alleged and proved, the plaintiff, in addition to such injunctive relief and cost of suit including reasonable attorneys fees, shall be entitled to recover from defendant the actual damages sustained by him.

Sec. 73. Minnesota Statutes 1976, Section 341.12, is amended to read:

341.12 [BONDS.] Before any license other than an amateur boxing license shall be granted to any person, club, corporation, or organization to conduct, hold or give any boxing or sparring match, or exhibition, such applicant therefor shall execute and file with the ~~commissioner of finance~~ *chairman of the commerce commission* a bond in the sum of \$2,500 in cities of the first class and \$1,000 in other communities, to be approved, as to form and sufficiency of the sureties thereof, by the ~~commissioner of finance~~ *chairman of the commerce commission*, conditioned for the payment of the five percent of the total gross receipts and license fees herein provided. Upon the filing and approval of such bond the ~~commissioner of finance~~ *chairman of the commerce commission* shall issue to such applicant for such license a certificate of such filing and approval, which shall be by such applicant filed in the office of the board with its application for such license; and no such license shall be issued until such certificate shall be so filed.

Sec. 74. Minnesota Statutes, 1977 Supplement, Section 363.14, Subdivision 1, is amended to read:

363.14 [COURT ACTIONS, SUITS BY PRIVATE PARTIES, INTERVENTION, DISTRICT COURT JURISDICTION, ATTORNEY'S FEES AND COSTS.] Subdivision 1. [COURT ACTIONS, SUITS BY PRIVATE PARTIES, INTERVENTION.] A person may bring a civil action seeking redress for an unfair discriminatory practice, upon withdrawal of the complaint from the department of human rights, at the following times:

(a) Within 45 days after the commissioner has determined that there is no probable cause to credit the allegations contained in a charge filed with the commissioner, or, if the charging party requested a reconsideration, within 45 days after the commissioner has reaffirmed his determination of no probable cause; or

(b) After 45 days ~~but within one year after from the filing of a charge pursuant to section 363.06, subdivision 1 if at or prior to the time of bringing the civil action a hearing has not been held pursuant to section 363.071 or if the commissioner has not entered into a conciliation agreement to which the charging party is a signator. The charging party shall notify the commissioner of his intention to bring a civil action, which shall be commenced within 90 days of giving the notice.~~

A charging party bringing a civil action shall mail by registered or certified mail a copy of the summons and complaint to the commissioner, and upon his receipt thereof the commissioner shall cause all proceedings in the department relating to the charge to terminate. No charge shall be filed or reinstituted with the commissioner after a civil action relating to the same unfair discriminatory practice has been brought unless the civil action has been dismissed without prejudice.

Upon application by the complaining party to the district court at a special term thereof and in such circumstances as the court may deem just, the court may appoint an attorney for such person and may authorize the commencement of the action without payment of fees, costs, or security.

Upon timely application, the court may, in its discretion, permit the department to intervene in a civil action brought pursuant to this section upon certification that the case is of general public importance.

Upon request, the court may, in its discretion, stay further proceedings for not more than 60 days pending further efforts of the department to obtain voluntary compliance.

Sec. 75. Minnesota Statutes, 1977 Supplement, Section 473.591, Subdivision 3, is amended to read:

Subd. 3. [PROCEEDS; USE.] The collections of the tax, less refunds and a proportionate share of the cost of collection, shall be remitted at least quarterly to the council. *The commissioner of revenue shall deduct from the proceeds remitted to the council an amount that equals the indirect statewide costs as well as the direct and indirect department costs necessary to administer, audit, and collect this tax. The amount deducted shall be deposited in the general fund of the state.* The proceeds remitted shall be placed, together with the net revenues of the commission under section 473.595, into the debt service fund or special funds established under section 473.581, subdivisions 4 and 5, provided however that during the first year the tax is imposed pursuant to this section the council may reappropriate to the commission a total amount not to exceed one-half of the proceeds from the first year of the tax, to be used by the commission to pay its expenses related to planning, designing, and locating sports facilities pursuant to sections 473.551 to 473.595. Collection of the tax imposed by this section shall be suspended at the end of any calendar year upon a determination by the metropolitan council that the balance in the debt service fund, including any reserve fund has reached an amount sufficient to pay the principal and interest on bonds which will become due within the next succeeding three year period. Collection shall be resumed by the commissioner of revenue at the end of any calendar year upon notice from the metropolitan council that the balance in the debt service fund, including any reserve fund has fallen below an amount sufficient to pay the principal and interest on bonds which will become due within the next succeeding two year period.

Sec. 76. Minnesota Statutes 1976, Section 480.13, is amended to read:

480.13 [COURT ADMINISTRATOR OFFICE CREATED; APPOINTMENT, TERM, SALARY.] There is hereby created a state office to be known as the office of court administrator, the holder of which office shall be appointed by the supreme court, shall be paid a salary as fixed by said court, and shall hold office at the pleasure of the supreme court.

Sec. 77. Minnesota Statutes, 1977 Supplement, Section 484.62, is amended to read:

484.62 [COMPENSATION AND REPORTER.] When a retired judge undertakes such service, he shall be provided at the expense of the county in which he is performing the service with a reporter, selected by the retired judge, clerk, bailiff, if the judge deems a bailiff necessary, and a courtroom or hearing room for the purpose of holding court or hearings, to be paid for by the county in which the service is rendered and shall be paid in addition to his retirement compensation and not affecting the amount thereof, the sum of \$50 per diem for such additional service, together with travel pay in the same amount and manner as other state employees and his actual expenses incurred in the service receive pay and expenses in the amount and manner provided by law for judges serving on the court to which the retired judge is assigned, less the amount of retirement pay which the judge is receiving, said payment to be made in the same manner as the payment of salaries for judges of the district court, on certification by the chief judge of the judicial district or by the chief justice of the supreme court of the state of Minnesota. A deputy clerk may act as bailiff when called to do so for the purposes of this section.

Sec. 78. Minnesota Statutes, 1977 Supplement, Section 484.68, Subdivision 6, is amended to read:

Subd. 6. [SALARY.] The salary of the district administrator shall be set by the state court administrator within the limits provided in section 15A.083, and shall be paid by the state. The salaries of the district administrators of the second and fourth judicial districts may be supplemented by the appropriate county board by an amount not to exceed \$10,000 per year. *If an administrator dies, the amount of his salary remaining unpaid for the month in which his death occurs shall be paid to his estate.*

Sec. 79. Minnesota Statutes, 1977 Supplement, Section 484.68, is amended by adding a subdivision to read:

Subd. 7. [ACCUMULATED BENEFITS.] *A clerk of district court who, without interruption of public service, is appointed a district administrator shall be given credit by the state of Minnesota for vacation time and sick leave accumulated while serving as a clerk of district court but for which no compensation has been received, except that credit shall be restricted in the same manner and amount as state employees.*

Credit for accumulated vacation time and sick leave for which

no compensation has been received shall be extended to the district administrators of the fifth judicial district and the eighth judicial district holding such office on the effective date of this act. These two administrators may elect to retain their membership in the public employees retirement association.

Sec. 80. Minnesota Statutes, 1977 Supplement, Section 484.68, is amended by adding a subdivision to read:

Subd. 8. A member of the public employees retirement association appointed as district administrator pursuant to chapter 484, shall remain a member of the fund unless the member elects, within 12 months of the appointment, to be covered by the Minnesota state retirement system.

Sec. 81. Laws 1975, Chapter 158, Section 4, is amended to read:

Sec. 4. Subdivision 1. The state of Minnesota hereby waives immunity and consents to commencement of a suit in the case set forth in this section. Any suit shall be commenced within six months from the date of final enactment. The state and the department of public welfare may be named as defendants in any suit commenced under this section and shall be served by the service of a summons and complaint upon the attorney general. The sums necessary to pay any resulting judgment are hereby appropriated from the fund designated. In no case shall the judgment exceed the monetary ceiling set forth in this section; provided further that the parties are ~~shall not authorized to settle this case prior to trial but without the approval of the court before which the case is pending. In the event the case is tried, the parties are~~ directed to litigate fully the following issues: Was the state of Minnesota negligent in allowing a patient to escape from the Anoka state hospital? If so, was ~~this the~~ negligence the proximate cause of the fire at the Rum River Lumber Company? If so, what are the monetary damages for loss of income and property loss? The state and the department are further instructed to take all applicable appeals available to them. This waiver of immunity is not an admission of liability on the part of the state or its departments. Further, the ceilings set forth below should not be construed in any way as a determination by the legislature as to the amount of loss suffered by the claimant. In any such action, the state or its departments may interpose any legal or equitable defense except the defenses of sovereign immunity and the statute of limitations.

Subd. 2. Rum River Lumber Company, Anoka, Minnesota, for loss of income and property damage not covered by insurance resulting from a fire allegedly set by an escapee from the Anoka state hospital. Any judgment rendered in this matter shall not exceed \$25,000 ~~\$15,835~~ for loss of income and ~~\$16,000~~ ~~\$59,165~~ for property damage. Any such judgment shall be satisfied from any mon-
eys in the state treasury not otherwise appropriated.

Sec. 82. Laws 1976, Chapter 337, Section 1, Subdivision 2, is amended to read:

Subd. 2. The council shall consist of five members of the house

of representatives appointed by the speaker, five members of the senate appointed by the committee on committees, and eight *twelve* citizens appointed by the governor. At least 50 percent of those appointed by the governor and by the speaker of the house shall be women. Members shall serve until the expiration date of this act for two years or until the expiration of their legislative terms. The compensation of nonlegislator members, their removal from office and the filling of vacancies shall be as provided in section 15.059. The persons appointed by the governor shall be representative of a range of economic interests and vocations and shall include persons who are not regularly employed on a full-time or part-time basis outside their homes.

Sec. 83. Laws 1976, Chapter 337, Section 1, Subdivision 4, is amended to read:

Subd. 4. The council shall report its findings and recommendations to the governor and the legislature not later than December 15, 1977, and shall supplement its findings and recommendations not later than June 30, 1978, and June 30, 1981. The report shall recommend any necessary changes in laws and programs designed to enable women to achieve full participation in the economy. The report shall also recommend methods to encourage the development of coordinated, interdepartmental goals and objectives and the coordination of programs, services and facilities among all state departments and public and private providers of services related to children, youth and families.

Sec. 84. Laws 1976, Chapter 337, Section 4, is amended to read:

Sec. 4. [EXPIRATION DATE.] Sections Section 1 and 2 of this act shall be effective May 1, 1976 and shall expire June 30, 1978 1981. Section 3 of this act shall be effective July 1, 1976.

Sec. 85. Laws 1977, Chapter 421, Section 13, is amended by adding a subdivision to read:

Subd. 11. [EMPLOYEE STATUS.] Persons employed by a state agency and paid from an appropriation in subdivision 10, are in the unclassified service and their continued employment is contingent upon the availability of money from the appropriation.

Sec. 86. Laws 1977, Chapter 445, Section 3, Subdivision 3, is amended to read:

Subd. 3. [RECOMMENDATIONS.] The commission shall act from the time its members are appointed until January 15, 1978 1979. It shall report its findings and recommendations to the legislature not later than January 15, 1978 1979.

Sec. 87. [COMPUTER SYSTEM DEVELOPMENT.] In all cases where an appropriation made in this act includes money for computer system development, development shall not proceed beyond PRIDE phase I until the project has been reviewed and approved by the commissioners of administration and finance. All approved projects shall be reported to the chairmen of the house appropriation committee and senate finance committee to receive their recommendation on the project. A recommendation is ad-

visory only. In the case of rejected projects, the commissioner of finance shall cancel the unencumbered balance of the appropriation allotted for development of the project.

Sec. 88. [EDUCATION; REORGANIZATION.] The commissioner of education with the approval of the commissioner of finance may change the composition of budgetary programs and activities in order to be consistent with the functional organization of the department following the reorganization authorized by the department of administration in January, 1978. No transfer shall be made until the commissioner of education has submitted a plan specifying the relationship between the appropriations made by Laws 1977, Chapter 449, Section 2 and the purposes for which the money is to be expended and encumbered to the chairman of the senate finance committee and the chairman of the house appropriations committee, and the chairmen have made their recommendations thereon.

Sec. 89. [EDUCATION; FEDERAL MONEY.] Subdivision 1. In preparing its biennial budget request for fiscal years 1980 and 1981, the department of education shall plan to spend the federal money specified in this section, including any federal money formerly allocated for indirect costs, only for the purposes indicated in this section. Where federal law requires any of this money to be spent for a purpose not indicated in this section, the budget request shall comply with the federal requirement and make a note of it in the explanation of budget request. This section is not intended to restrict the department in requesting state money for any of the purposes for which this federal money was formerly used or for which this section requires it to be used in the future.

Subd. 2. Federal money received for state vocational education programs pursuant to the Vocational Education Act of 1963, Part B, as amended, and required to be used for vocational education of the disadvantaged and handicapped shall be used only for grants and not for state administrative costs. This does not limit the use of grant money by a school district for its own administrative costs if otherwise permitted by federal law. The remainder of the Part B money not required to be used for eliminating sex bias in vocational education shall be used for grants for post-secondary vocational categorical aid.

Subd. 3. Federal money received pursuant to the Elementary and Secondary Education Act of 1965, Title 4C, as amended, shall be used as a source of money for the venture fund of the Council on Quality Education and, to the extent allowed by federal law, for grants for early childhood and family education made by the Council on Quality Education.

Subd. 4. Federal money received pursuant to the Elementary and Secondary Education Act of 1965, Title 4B, as amended, may be used either for grants or for administrative costs, but only in the instructional services budget activity. This does not limit the use of grant money by a school district for pupil personnel services, evaluation, or any other purpose authorized by federal law.

Subd. 5. Federal money received pursuant to the Library Services and Construction Act, as amended, shall be used for the payment of grants and not for state administrative costs.

Sec. 90. [COUNCIL ON QUALITY EDUCATION; REPORT.] *The state board of education, in consultation with the council on quality education (CQE), shall develop and submit to the legislature by January 1, 1979 a plan, including proposed legislation, to alter the makeup of the CQE the minimum amount necessary to permit it to serve as the Title 4 advisory council. The CQE should retain a majority of lay members, but should not exceed 30 members. The CQE should be responsible for advising on the Title 4C grant program, subject to final authority of the state board of education. The plan should allow for the CQE to be consulted in the selection of its staff.*

Sec. 91. [USE OF EXCESS FUEL AND UTILITY FUNDS FOR ENERGY RELATED PROJECTS.] *All other provisions of law notwithstanding, the state university board is authorized to transfer funds appropriated to its maintenance and equipment account for fuel and utility purposes to its repair and betterment account to finance energy-related repairs or betterments, provided that such funds are not required for fuel and utility purposes, the commissioner of finance concurs in each transfer made pursuant to this authority, and provided that the commissioner of finance secures the approval of the chairmen of the senate finance and house appropriations committees for the amount and purpose of each transfer.*

Sec. 92. [CARRY FORWARD OF H.E.C.B. WORK-STUDY, AND CONSORTIUM AND UNIVERSITY MEDICAL CONTINGENT APPROPRIATIONS.] *Notwithstanding any other law to the contrary, any unexpended balance remaining the first year in Laws 1977, Chapter 449, Section 3, Subdivisions 5 and 9 and Section 6, Subdivision 9, shall not cancel but shall be available for the second year of the biennium.*

Sec. 93. [MEDICAL LABORATORY FEE.] *The handling fee of \$1.50 per specimen proposed by the department of health pursuant to Laws 1977, Chapter 453, Section 6, Subdivision 2, is approved and shall be charged from July 1, 1978 to June 30, 1979.*

Sec. 94. [NURSING HOME RATES.] *Until July 1, 1980, the reasonable costs to nursing homes of complying with section 144A.611 shall not be subject to any limits on nursing home rates established pursuant to section 256B.47, subdivision 1.*

Sec. 95. [CERTIFICATE OF NEED.] *Notwithstanding the provisions of sections 145.71 to 145.83, the authority to promulgate rules governing the Minnesota certificate of need act is transferred from the state planning agency to the commissioner of health. All rules heretofore promulgated by the state planning agency pursuant to sections 145.71 to 145.83 shall remain in full force and effect until modified or repealed by the commissioner.*

Sec. 96. [ROCHESTER, CITY OF; CIVILIAN POLICE POSITIONS.] *Subdivision 1. Notwithstanding the provisions of any*

other law to the contrary, the city of Rochester may employ within its police department administrative assistants, auto mechanics, clerk typists, communication supervisors, identification technicians, parking meter attendants, police dispatchers, property officers, research assistants, and secretaries to be employed within the police department, but who shall not be subject to the rules and regulations or jurisdiction of the police civil service commission or be eligible to be members in or to receive benefits from the policemen's relief association. The city shall by ordinance provide for benefits and for procedures in the hiring, and dismissal of employees excluded from the jurisdiction of the police civil service commission.

Subd. 2. This section is effective upon approval by the governing body of the city of Rochester and compliance with Minnesota Statutes, Section 645.021.

Sec. 97. [GRANTS-IN-AID TO YOUTH INTERVENTION PROGRAMS.] Subdivision 1. The crime control planning board may make grants to nonprofit agencies administering youth intervention programs in communities where the programs are or may be established.

"Youth intervention program" means a nonresidential community based program providing advocacy, education, counseling, and referral services to youth and their families experiencing personal, familial, school, legal or chemical problems with the goal of resolving the present problems and preventing the occurrence of the problems in the future.

Subd. 2. [APPLICATIONS.] Applications for a grant-in-aid shall be made by the administering agency to the crime control planning board. The grant-in-aid is contingent upon the agency having obtained from the community in which the youth intervention program is established local matching money two times the amount of the grant that is sought.

The crime control planning board shall provide by rule the application form, procedures for making application form, criteria for review of the application, and kinds of contributions in addition to cash that qualify as local matching money. No grant to any agency shall exceed \$25,000.

Sec. 98. [REPEALER.] Minnesota Statutes 1976, Sections 3.732, Subdivision 4; 16.171; 60A.13, Subdivisions 3 and 4; 162.19; 325.75, Subdivisions 1, 2, and 3; and 363.122, are repealed.

Sec. 99. [EFFECTIVE DATE.] This act is effective the day following final enactment, except as otherwise provided."

Further, delete the title and insert:

"A bill for an act relating to the organization and operation of state government; clarifying, supplementing, and providing for deficiencies in appropriations for the expenses of state government with certain conditions; providing for payment of claims; transferring certain duties and appropriations; shortening time for cancellation of certain drafts; clarifying campaign financing require-

ments; authorizing fees and special accounts in certain cases; clarifying certain salary limits; providing certain insurance benefits; eliminating preparation of insurance abstracts; requiring certain insurance coverage; authorizing use of prison industries in railroad rehabilitation; eliminating duty of commerce commission to enforce cigarette unfair sales act; providing certain judicial branch compensation and fringe benefits; expanding membership and extending existence of advisory council on economic status of women; extending existence of legislative commission to study public broadcasting; limiting use of certain federal money by the department of education; exempting nursing home rates from certain limitations; exempting certain employees in the police department of the city of Rochester from certain requirements; appropriating money; amending Minnesota Statutes 1976, Sections 3.736, Subdivision 7; 3.98, Subdivisions 3 and 4; 10.15; 10A.02, Subdivision 1, as amended; 10A.20, Subdivision 3, as amended; 10A.27, Subdivision 4, as amended; 10.32, Subdivision 3, as amended; 16.32, Subdivision 1; 16A.128; 16A.15, Subdivision 1; 16A.60; 16A.67, Subdivision 2; 43.064; 43.12, by adding a subdivision; 60A.13, Subdivision 7; 60A.14, Subdivision 1; 62A.149, Subdivision 1; 125.183, by adding a subdivision; 136A.29, Subdivision 9; 222.50, Subdivision 3; 242.385, Subdivision 1; 299D.03, Subdivision 6; 325.74, Subdivision 1; 341.12; 480.13; and Chapter 16A, by adding sections; Minnesota Statutes, 1977 Supplement, Sections 15A.083, Subdivision 4, and by adding a subdivision; 16.125, Subdivisions 1 and 3; 16.72, Subdivision 7; 43.067, Subdivision 1; 43.42; 43.43, Subdivision 2; 120.17, Subdivision 7a; 136A.55; 139.18, Subdivision 2; 174.21; 298.28, Subdivision 1; 363.14, Subdivision 1; 473.591, Subdivision 3; 484.62; 484.68, Subdivision 6, and by adding subdivisions; amending Laws 1975, Chapter 158, Section 4; Laws 1976, Chapter 337, Sections 1, Subdivisions 2 and 4; and 4; Laws 1977, Chapter 421, Section 13, by adding a subdivision; Laws 1977, Chapter 445, Section 3, Subdivision 3; repealing Minnesota Statutes 1976, Sections 3.732, Subdivision 4; 16.171; 60A.13, Subdivisions 3 and 4; 162.19; 325.75, Subdivisions 1, 2 and 3; and 363.122."

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Fred C. Norton, Phyllis L. Kahn, A. J. Eckstein, Donald Samuelson, Rod Searle.

Senate Conferees: (Signed) Roger D. Moe, Gerald L. Willet, Clarence M. Purfeerst, Steve Keefe, John B. Keefe.

Mr. Moe moved that the foregoing recommendations and Conference Committee Report on H. F. No. 2527 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H. F. No. 2527: A bill for an act relating to the organization and operation of state government; clarifying, supplementing, and providing for deficiencies in appropriations for the expenses of state government with certain conditions; providing for payment of claims; transferring certain duties and appropriations; shortening

time for cancellation of certain drafts; clarifying campaign financing requirements; authorizing fees and special accounts in certain cases; clarifying certain salary limits; providing certain insurance benefits; eliminating preparation of insurance abstracts; requiring certain insurance coverage; authorizing use of prison industries in railroad rehabilitation; eliminating duty of commerce commission to enforce cigarette unfair sales act; providing certain judicial branch compensation and fringe benefits; expanding membership and extending existence of advisory council on economic status of women; extending existence of legislative commission to study public broadcasting; limiting use of certain federal money by the department of education; exempting nursing home rates from certain limitations; exempting certain employees in the police department of the city of Rochester from certain requirements; appropriating money; amending Minnesota Statutes 1976, Sections 3.736, Subdivision 7; 3.98, Subdivisions 3 and 4; 10.15; 10A.02, Subdivision 1, as amended; 10A.20, Subdivision 3, as amended; 10A.27, Subdivision 4, as amended; 10.32, Subdivision 3, as amended; 16.32, Subdivision 1; 16A.128; 16A.15, Subdivision 1; 16A.60; 16A.67, Subdivision 2; 43.064; 43.12, by adding a subdivision; 60A.13, Subdivision 7; 60A.14, Subdivision 1; 62A.149, Subdivision 1; 125.183, by adding a subdivision; 136A.29, Subdivision 9; 222.50, Subdivision 3; 242.385, Subdivision 1; 299D.03, Subdivision 6; 325.74, Subdivision 1; 341.12; 480.13; and Chapter 16A, by adding sections; Minnesota Statutes, 1977 Supplement, Sections 15A.083, Subdivision 4, and by adding a subdivision; 16.125, Subdivisions 1 and 3; 16.72, Subdivision 7; 43.067, Subdivision 1; 43.42; 43.43, Subdivision 2; 120.17, Subdivision 7a; 136A.55; 139.18, Subdivision 2; 174.21; 298.28, Subdivision 1; 363.14, Subdivision 1; 473.591, Subdivision 3; 484.62; 484.68, Subdivision 6, and by adding subdivisions; amending Laws 1975, Chapter 158, Section 4; Laws 1976, Chapter 337, Sections 1, Subdivisions 2 and 4; and 4; Laws 1977, Chapter 421, Section 13, by adding a subdivision; Laws 1977, Chapter 445, Section 3, Subdivision 3; repealing Minnesota Statutes 1976, Sections 3.732, Subdivision 4; 16.171; 60A.13, Subdivisions 3 and 4; 162.19; 325.75, Subdivisions 1, 2 and 3; and 363.122.

Was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 40 and nays 8, as follows:

Those who voted in the affirmative were:

Ashbach	Engler	Keefe, J.	Nelson	Solon
Bang	Frederick	Kleinbaum	Olhoff	Staples
Bernhagen	Gearty	Knaak	Olson	Tennessen
Borden	Hanson	Laufenburger	Penny	Ueland, A.
Brataas	Hughes	Lewis	Purfeerst	Ulland, J.
Chenoweth	Humphrey	Menning	Renneke	Vega
Chmielewski	Jensen	Merriam	Schmitz	Wegener
Coleman	Johnson	Moe	Setzepfandt	Willet

Those who voted in the negative were:

Benedict
Dieterich

Gunderson
Knoll

Luther
Sieloff

Sikorski

Spear

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

MESSAGES FROM THE HOUSE—CONTINUED

Mr. President:

I have the honor to announce that the House accedes to the request of the Senate for the return of the following bill:

H. F. No. 2098: A bill for an act relating to family planning services; providing for special grants to provide family planning services; requiring informed consent; providing a penalty; appropriating funds; amending Minnesota Statutes 1976, Section 145.922, by adding subdivisions.

The House has discharged its conference committee on House File No. 2098 and appointed a new conference committee as follows:

Berglin, Scheid and Heinitz.

House File No. 2098 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 23, 1978

APPOINTMENTS

Mr. Coleman from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

H. F. No. 2098: Messrs. Keefe, S.; Anderson, and Dunn.

Mr. Coleman moved that the foregoing appointments be approved. The motion prevailed.

MESSAGES FROM THE HOUSE—CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 1227 and repassed said bill in accordance with the report of the Committee, so adopted.

H. F. No. 1227: A bill for an act relating to commerce; providing for deposits of public funds in thrift institutions; amending Minnesota Statutes 1976; Sections 51A.21, by adding a subdivi-

sion; 118.005; 118.01; 118.09; 118.11; and 118.16; repealing Minnesota Statutes 1976, Section 118.17.

House File No. 1227 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives
Transmitted March 23, 1978

CONFERENCE COMMITTEE REPORT ON H. F. NO. 1227

A bill for an act relating to commerce; providing for deposits of public funds in thrift institutions; amending Minnesota Statutes 1976, Sections 51A.21, by adding a subdivision; 118.005; 118.01; 118.09; 118.11; and 118.16; repealing Minnesota Statutes 1976, Section 118.17.

March 22, 1978

The Honorable Martin O. Sabo
Speaker of the House of Representatives

The Honorable Edward J. Gearty
President of the Senate

We, the undersigned conferees for H. F. No. 1227, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H. F. No. 1227 be further amended as follows:

Page 1, after line 9 insert:

"Section 1. Minnesota Statutes 1976, Chapter 50, is amended by adding a section to read:

[50.171] *A savings bank shall have the power and authority to accept and maintain treasury tax and loan accounts of the United States and to pledge collateral to secure the treasury tax or loan accounts, in accordance with the regulations of the department of the treasury of the United States.*"

Page 1, after line 16 insert:

"Sec. 3. Minnesota Statutes, 1977 Supplement, Section 52.04, Subdivision 1, is amended to read:

52.04 [POWERS.] Subdivision 1. A credit union shall have the following powers:

(1) To receive the savings of its members either as payment on shares or as deposits, including the right to conduct Christmas clubs, vacation clubs, and other such thrift organizations within its membership;

(2) To make loans to members for provident or productive purposes as provided in section 52.16;

(3) To make loans to a cooperative society or other organization having membership in the credit union;

(4) To deposit in state and national banks and trust companies authorized to receive deposits;

(5) To invest in any investment legal for savings banks or for trust funds in the state;

(6) To borrow money as hereinafter indicated;

(7) To adopt and use a common seal and alter the same at pleasure; and

(8) To make payments on shares of and deposit with any other credit union chartered by this or any other state or operating under the provisions of the federal credit union act, in amounts not exceeding in the aggregate 25 percent of its unimpaired assets providing that payments on shares of and deposit with credit unions chartered by other states shall be restricted to credit unions insured by the National Credit Union Administration. The restrictions imposed by this clause shall not apply to share accounts and deposit accounts of Minnesota central credit union in U.S. central credit union;

(9) To contract with any licensed insurance company or society to insure the lives of members to the extent of their share accounts, in whole or in part, and to pay all or a portion of the premium therefor;

(10) To indemnify each director, officer, or committee member, or former director, officer, or committee member against all expenses, including attorney's fees but excluding amounts paid pursuant to a judgment or settlement agreement, reasonably incurred by him in connection with or arising out of any action, suit, or proceeding to which he is a party by reason of being or having been a director, officer, or committee member of the credit union, except with respect to matters as to which he shall be finally adjudged in such action, suit, or proceeding to be liable for negligence or misconduct in the performance of his duties. Such indemnification shall not be exclusive of any other rights to which he may be entitled under any bylaw, agreement, vote of members, or otherwise; and

(11) Upon written authorization from a member, retained at the credit union, to make payments to third parties by withdrawals from the member's share or deposit accounts or through proceeds of loans made to such member, or by permitting the credit union to make such payments from the member's funds prior to deposit; to permit draft withdrawals from member accounts; however, this clause does not permit a credit union to establish demand deposits (checking accounts) for its members;

(12) To inform its members as to the availability of various group purchasing plans which are related to the promotion of thrift or the borrowing of money for provident and productive purposes by means of informational materials placed in the credit

union's office, through its publications, or by direct mailings to members by the credit union;

(13) To facilitate its members' voluntary purchase of types of insurance incidental to promotion of thrift or the borrowing of money for provident and productive purposes including, but not limited to the following types of group or individual insurance: Fire, theft, automobile, life and temporary disability; to be the policy holder of a group insurance plan or a sub-group under a master policy plan and to disseminate information to its members concerning the insurance provided thereunder; to remit premiums to an insurer or the holder of a master policy on behalf of a credit union member, provided that the credit union shall obtain written authorization from such member for remittance by share or deposit withdrawals or through proceeds of loans made by such members, or by permitting the credit union to make such payments from the member's funds prior to deposit; and to accept from the insurer reimbursement for the actual cost of ministerial tasks performed pertaining to insurance;

(14) To contract with another credit union to furnish services which either could otherwise perform. Contracted services under this clause are subject to regulation and examination by the commissioner of banks like other services;

(15) In furtherance of the twofold purpose of promoting thrift among its members and creating a source of credit for them at legitimate rates of interest for provident purposes, and not in limitation of the specific powers hereinbefore conferred, to have all the powers enumerated, authorized, and permitted by this chapter, and such other rights, privileges and powers as may be incidental to, or necessary for, the accomplishment of the objectives and purposes of the credit union; and

(16) To rent safe deposit boxes to its members provided the credit union obtains adequate insurance or bonding coverage for losses which might result from the rental of safe deposit boxes ;

(17) *Notwithstanding the provisions of section 52.05, to accept deposits of public funds in an amount secured by insurance or other means pursuant to chapter 118; and*

(18) *To accept and maintain treasury tax and loan accounts of the United States and to pledge collateral to secure the treasury tax or loan accounts, in accordance with the regulations of the Department of Treasury of the United States."*

Page 2, line 1, after " municipality " insert " , as defined in section 118.01,"

Page 2, line 5, delete the new language

Page 2, delete line 6

Page 6, line 13, after "district," insert " police or firefighter's relief association, volunteer firefighter's relief association, non-profit corporation firefighter's relief association, any other statu-

tory retirement association holding funds intended for retirement benefits for employees of a municipality, any "

Renumber the sections in sequence

Further delete the title and insert:

"A bill for an act relating to commerce; authorizing savings banks, savings associations, and credit unions to accept certain accounts; authorizing credit unions to accept deposits of public funds; providing for deposits of public funds in thrift institutions; amending Minnesota Statutes, 1977 Supplement, Section 52.04, Subdivision 1; and Minnesota Statutes 1976, Chapter 50, by adding a section; Sections 51A.21, by adding a subdivision; 118.005; 118.01; 118.09; 118.11; and 118.16; repealing Minnesota Statutes 1976, Section 118.17."

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Leo G. Adams, Michael George, Ted Suss.

Senate Conferees: (Signed) Winston W. Borden, Delores Knaak, Allan H. Spear.

Mr. Borden moved that the foregoing recommendations and Conference Committee Report on H. F. No. 1227 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H. F. No. 1227: A bill for an act relating to commerce; authorizing savings banks, savings associations, and credit unions to accept certain accounts; authorizing credit unions to accept deposits of public funds; providing for deposits of public funds in thrift institutions; amending Minnesota Statutes, 1977 Supplement, Section 52.04, Subdivision 1; and Minnesota Statutes 1976, Chapter 50, by adding a section; Sections 51A.21, by adding a subdivision; 118.005; 118.01; 118.09; 118.11; and 118.16; repealing Minnesota Statutes 1976, Section 118.17.

Was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 42 and nays 5, as follows:

Those who voted in the affirmative were:

Ashbach	Dieterich	Knoll	Olhoft	Staples
Bang	Gearty	Laufenburger	Peterson	Stokowski
Benedict	Gunderson	Lessard	Purfeerst	Stumpf
Bernhagen	Hughes	Luther	Schaaf	Tennessee
Borden	Humphrey	McCutcheon	Schmitz	Ulland, J.
Brataas	Jensen	Menning	Setzepfandt	Vega
Chenoweth	Johnson	Merriam	Sieloff	
Chmielewski	Kleinbaum	Moe	Solon	
Coleman	Knaak	Nelson	Spear	

Those who voted in the negative were:

Engler	Hanson	Nichols	Penny	Willet
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So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE—CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 1520 and repassed said bill in accordance with the report of the Committee, so adopted.

H. F. No. 1520: A bill for an act relating to financial institutions; changing powers of savings and loan associations; amending Minnesota Statutes 1976, Section 51A.21, Subdivision 16.

House File No. 1520 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives
Transmitted March 23, 1978

CONFERENCE COMMITTEE REPORT ON H. F. NO. 1520

A bill for an act relating to financial institutions; changing powers of savings and loan associations; amending Minnesota Statutes 1976, Section 51A.21, Subdivision 16.

March 21, 1978

The Honorable Martin O. Sabo
Speaker of the House of Representatives

The Honorable Edward J. Gearty
President of the Senate

We, the undersigned conferees for H. F. No. 1520, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments.

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Michael George, Bernard J. Brinkman, Joseph T. Niehaus

Senate Conferees: (Signed) Robert J. Tennessen, Roger Laufenburger, Otto T. Bang Jr.

Mr. Tennessen moved that the foregoing recommendations and Conference Committee Report on H. F. No. 1520 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H. F. No. 1520: A bill for an act relating to financial institutions; changing powers of savings and loan associations; amending Minnesota Statutes 1976, Section 51A.21, Subdivision 16.

Was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 47 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Frederick	Knoll	Olhoff	Staples
Bang	Gearty	Laufenburger	Penny	Stumpf
Benedict	Gunderson	Lessard	Peterson	Tennessen
Bernhagen	Hanson	Luther	Purfeerst	Ueland, A.
Brataas	Hughes	McCutcheon	Schaaf	Ulland, J.
Chenoweth	Humphrey	Menning	Setzepfandt	Vega
Chmielewski	Jensen	Merriam	Sieloff	Willet
Coleman	Johnson	Moe	Sikorski	
Dieterich	Kleinbaum	Nelson	Solon	
Engler	Knaak	Nichols	Spear	

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

MESSAGES FROM THE HOUSE—CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 1736 and repassed said bill in accordance with the report of the Committee, so adopted.

H. F. No. 1736: A bill for an act relating to state-leased buildings and sites for state meetings; concerning the handicapped; requiring state-leased buildings and sites for state meetings to be accessible to the handicapped; amending Minnesota Statutes 1976, Section 471.467, by adding subdivisions.

House File No. 1736 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 23, 1978

CONFERENCE COMMITTEE REPORT ON H. F. NO. 1736

A bill for an act relating to state-leased buildings and sites for state meetings; concerning the handicapped; requiring state-leased buildings and sites for state meetings to be accessible to the handicapped; amending Minnesota Statutes 1976, Section 471.467, by adding subdivisions.

March 21, 1978

The Honorable Martin O. Sabo
Speaker of the House of Representatives

The Honorable Edward J. Gearty
President of the Senate

We, the undersigned conferees for H. F. No. 1736, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H. F. No. 1736 be amended as follows:

Strike everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1976, Section 16.84, is amended by adding subdivisions to read:

Subd. 7. "Public building" means any building and the grounds appurtenant thereto, the cost of which is paid for by the state of Minnesota or any governmental subdivision thereof, or any agency of the state or of any governmental subdivision, or school district.

Subd. 8. "Physically handicapped" means sight disabilities, hearing disabilities, disabilities of incoordination, disabilities of aging, and any other disability that significantly reduces mobility, flexibility, coordination, or perceptiveness.

Subd. 9. "Remodeling" means deliberate reconstruction of an existing public building in whole or in part in order to bring it up to date in conformity with present uses of the structure and to which other rules on the upgrading of health and safety provisions are applicable.

Sec. 2. Minnesota Statutes, 1977 Supplement, Section 16.85, is amended to read:

16.85. [GENERAL POWERS OF COMMISSIONER, STATE BUILDING CODE.] Subdivision 1. Subject to the provisions of sections 16.83 to 16.867, the commissioner shall by rule establish a code of standards for the construction, reconstruction, alteration, and repair of state-owned buildings, governing matters of structural materials, design and construction, fire protection, health, sanitation, and safety. *The code shall also provide for making public buildings constructed or remodeled after July 1, 1963, accessible to and usable by physically handicapped persons; provided that this shall not require the remodeling of public buildings solely to provide accessibility and usability to the physically handicapped when remodeling would not otherwise be undertaken.* The commissioner may amend the code from time to time as provided in sections 16.83 to 16.867. The code and any amendment thereof shall conform insofar as practicable to model building codes generally accepted and in use throughout the United States. In the preparation of the code consideration shall be given to the existing state-wide specialty codes presently in use in the state of Minnesota. Such model codes with modifications as may be deemed necessary and state-wide specialty codes may be adopted by reference. The code so promulgated and any amendments thereof shall be based on the application of scientific principles, approved tests, and professional judgment; and to the extent that it is practical so to do the code shall be promulgated in terms of desired results instead of the means of achieving such results, avoiding wherever possible the incorporation of specifications of particular methods of mate-

rials. To that end the code shall encourage the use of new methods and new materials. *Except as otherwise provided in sections 16.83 to 16.867, the commissioner shall administer and enforce the provisions of those sections.*

The code shall require that any parking ramp or other parking facility constructed in accordance with the code include an appropriate number of spaces suitable for the parking of motor vehicles having a capacity of seven to 16 persons and which are principally used to provide prearranged commuter transportation of employees to or from their place of employment or to or from a transit stop authorized by a local transit authority.

The code shall require that all dwellings, lodging houses, apartment houses, and hotels as defined in section 299F.362 comply with the provisions of section 299F.362.

Subd. 1a. Construction or remodeling shall not be commenced on any public building owned by the state of Minnesota until the plans and specifications of the public building have been approved by the commissioner. In the case of any other public building the plans and specifications thereof shall be submitted to the commissioner for review, and within 30 days after his receipt thereof he shall notify the submitting authority of his recommendations if any.

Subd. 1b. No agency of the state may lease space for agency operations in a non-state owned building, unless the building satisfies the requirements of the state building code for accessibility by the physically handicapped, or is eligible to display the state symbol of accessibility. This limitation shall apply in respect to leases of thirty days or more for space of at least 1,000 square feet commencing on or after July 1, 1980.

Subd. 1c. After July 1, 1979, meetings or conferences attended by the public and sponsored by a state agency in non-publicly owned buildings shall be held in buildings that either meet the state building code requirements relating to accessibility for the physically handicapped or are eligible to display the state symbol for accessibility.

Subd. 1d. The commissioner of administration may grant an exemption from the requirements of subdivisions 1b and 1c if reasonable efforts were made to secure facilities which complied with the requirements of subdivision 1b and if the selected facilities are the best available for access for handicapped persons.

Sec. 3. [TEMPORARY PROVISION.] *Persons, appropriations and materials in respect to those functions in the office of state fire marshal transferred by this act shall be transferred by the commissioners of administration and finance, as appropriate, from the state fire marshal to the commissioner of administration.*

Sec. 4. [REPEALER.] *Minnesota Statutes 1976, Sections 299F.41, 299F.42, 299F.43, 299F.44 and 299F.45 are repealed.*

Sec. 5. [EFFECTIVE DATE.] *This act is effective July 1, 1978."*

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

"A bill for an act relating to publicly-owned buildings; providing for access and usability by physically handicapped persons; requiring leased space and state agency meetings to be accessible; transferring enforcement from the state fire marshal to the commissioner of administration; amending Minnesota Statutes 1976, Section 16.84 by adding subdivisions; and Minnesota Statutes, 1977 Supplement, Section 16.85; repealing Minnesota Statutes 1976, Sections 299F.41, 299F.42, 299F.43, 299F.44 and 299F.45."

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Thomas R. Berkelman, Glen H. Anderson, Douglas W. Carlson

Senate Conferees: (Signed) Robert M. Benedict, John C. Chenoweth, John Bernhagen

Mr. Benedict moved that the foregoing recommendations and Conference Committee Report on H. F. No. 1736 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H. F. No. 1736: A bill for an act relating to publicly-owned buildings; providing for access and usability by physically handicapped persons; requiring leased space and state agency meetings to be accessible; transferring enforcement from the state fire marshal to the commissioner of administration; amending Minnesota Statutes 1976, Section 16.84 by adding subdivisions; and Minnesota Statutes, 1977 Supplement, Section 16.85; repealing Minnesota Statutes 1976, Sections 299F.41, 299F.42, 299F.43, 299F.44 and 299F.45.

Was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 45 and nays 0, as follows:

Those who voted in the affirmative were:

Bang	Gearty	Knoll	Olhoft	Solon
Benedict	Gunderson	Laufenburger	Olson	Spear
Bernhagen	Hanson	Lessard	Penny	Staples
Brataas	Hughes	Luther	Peterson	Stumpf
Chmielewski	Humphrey	Menning	Renneke	Tennessee
Coleman	Jensen	Merriam	Schmitz	Ueland, A.
Dieterich	Johnson	Moe	Setzepfandt	Ulland, J.
Engler	Kleinbaum	Nelson	Sieloff	Vega
Frederick	Knaak	Nichols	Sikorski	Willet

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

MESSAGES FROM THE HOUSE—CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 2341 and repassed said bill in accordance with the report of the Committee, so adopted.

H. F. No. 2341: 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.

House File No. 2341 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives
Transmitted March 23, 1978

CONFERENCE COMMITTEE REPORT ON H. F. NO. 2341

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.

March 22, 1978

The Honorable Martin O. Sabo
Speaker of the House of Representatives

The Honorable Edward J. Gearty
President of the Senate

We, the undersigned conferees for H. F. No. 2341, report that we have agreed upon the items in dispute and recommend as follows:

The Senate recede from its amendments and provided that the H. F. No. 2341 be amended as follows:

Page 2, line 1, delete the language after "2."

Page 2, delete line 2

Page 2, line 3 delete "*in the aggregate principal amount of \$8,000,000, or*" and insert "*For the year 1980 the city of St. Paul is authorized to issue bonds in the aggregate principal amount of \$6,500,000 and for each of the years 1981 and 1982 the city of St. Paul is authorized to issue bonds in the aggregate principal amount of \$8,000,000 for each year; or for the year 1981 and subsequent years the city of St. Paul may issue bonds*"

Page 3, after line 1, insert:

"Sec. 2. Laws 1971, Chapter 773, Section 2, is amended to read:

Sec. 2. The proceeds of all bonds issued pursuant to section 1 hereof shall be used exclusively for the acquisition, construction, and repair of capital improvements. None of the proceeds of any bonds so issued shall be expended except upon projects which have been reviewed, and have received a priority rating, from a capital improvements committee consisting of at least seven 18 members, of

whom a majority shall not hold any paid office or position under the city of St. Paul. *The members shall be appointed by the mayor, with at least three members from each Minnesota senate district.* The priorities and recommendations of such committee shall be purely advisory, and no buyer of any such bonds shall be required to see to the application of the proceeds.

Sec. 3. Laws 1976, Chapter 234, Section 4, Subdivision 4, as amended by Laws 1977, Chapter 165, Section 1, is amended to read:

Subd. 4. [ST. PAUL, CITY OF; HOUSING AND REDEVELOPMENT.] Except as specifically provided herein, the establishment of the St. Paul city council as the commissioners of the St. Paul housing and redevelopment authority or placement of any employees under the direction or control of the mayor or any department of the city, shall not affect rights of any employees of the housing and redevelopment authority, including but not limited to any rights pursuant to an existing collective bargaining agreement or fringe benefit plan, nor shall such action affect any collective bargaining right or contract provision of present city employees. The employees may remain as employees of the housing and redevelopment authority, or any successor agency thereof, or may become employees of the city of St. Paul by resolution of the governing body of the city and by concurrent approval of respective housing and redevelopment authority bargaining units affected. Such approval will be determined by majority vote of those employees in each unit who are actually affected by such council action. All employees of the housing and redevelopment authority who are affected by such council action, and who are not members of a specific bargaining unit, for the purpose of this provision shall be considered as one unit. Any employee who becomes an employee of the city of St. Paul by such action shall become a member of the proper city bargaining unit, if one exists, and shall be governed by the bargaining agreement of that city unit beginning ~~July 1, 1978~~ *January 1, 1980* and until that date such employees shall remain in any bargaining units that they were in at the effective date of this act and shall be governed by the collective bargaining agreements of those units.

Sec. 4. Laws 1976, Chapter 234, Section 4, Subdivision 4a, as added by Laws 1977, Chapter 165, Section 2, is amended to read:

Subd. 4a. [TRANSFER OF EMPLOYEES.] All employees of the housing and redevelopment authority who become employees of the city of St. Paul in accordance with the provisions of subdivision 4, hereinafter called transfer employees, shall be employees of the city of St. Paul notwithstanding any contrary provision of this law, the St. Paul city charter or other statute or ordinance, and shall be governed by applicable provisions of the city civil service laws and city charter, except as modified in clauses (1), (2) and (3).

(1) Transfer employees shall maintain city seniority from the effective date of this act; however, for the purposes of deter-

mining their wages and fringe benefits, except pension benefits, their seniority shall be computed from the date that they were originally employed by the housing and redevelopment authority.

(2) Transfer employees shall have promotion rights providing that they qualify for such rights under the city civil service laws, and such rights shall be determined by their combined total length of service with the housing and redevelopment authority and the city.

(3) Any employee, whether a regular city employee or a transfer employee, if assigned to the department of planning and economic development, shall have equal promotional rights with any other such employee. Any regular city employee assigned to the department of planning and economic development and any transfer employee shall have promotional preference for positions in the division of renewal and the division of economic development over regular city employees not assigned to the department of planning and economic development. All regular city employees, whether assigned to the department of planning and economic development or any other position in the classified service, shall have promotional rights over all transfer employees for any position in the classified service which is not in the department of planning and economic development. All city employees, whether assigned to the department of planning and economic development or any other position in the classified service, shall have equal promotional rights with all transfer employees for promotions to positions in the division of planning and the division of community development. The term "employee" as used in clause (3) means professional, supervisory, and confidential employees only. All promotion preferences established by this clause shall expire two years after the effective date of this act.

No city employee holding a regular appointment to a position in the classified service at the time this act takes effect shall be laid off because of the effects of this act.

Notwithstanding any contrary provision of law, the pension plan available to the employees of the housing and redevelopment authority at the effective date of this act shall continue in operation until changed in accordance with law, and all such housing and redevelopment authority employees who shall become employees of the city shall have the individual option to remain in the present pension and retirement plan provided to employees of the housing and redevelopment authority with the city assuming the employer's obligations under said pension plan or to become covered as coordinated members of the public employees retirement association upon election, by making such election within one year from the effective date of this act on which they become an employee of the city of St. Paul.

Sec. 5. Within the boundaries of any tax increment district established in the city of St. Paul proceeds from the sale of capital improvement bonds may be expended solely for transportation purposes."

Renumber the remaining section.

Further amend the title as follows:

Page 1, line 4 after the semicolon insert "providing certain transferred employees rights to certain benefits;"

Page 1, line 5, before the period insert "; Laws 1971, Chapter 773, Section 2; Laws 1976, Chapter 234, Section 4, Subdivisions 4, as amended and 4a, as amended"

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Randy C. Kelly, Ann Wynia, John D. Tomlinson

Senate Conferees: (Signed) Peter P. Stumpf, Bill McCutcheon, John C. Chenoweth

Mr. Stumpf moved that the foregoing recommendations and Conference Committee Report on H. F. No. 2341 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H. F. No. 2341: 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; providing certain transferred employees rights to certain benefits; amending Laws 1971, Chapter 773, Section 1, as amended; Laws 1971, Chapter 773, Section 2; Laws 1976, Chapter 234, Section 4, Subdivisions 4, as amended and 4a, as amended.

Was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 44 and nays 1, as follows:

Those who voted in the affirmative were:

Ashbach	Dieterich	Johnson	Nichols	Spear
Bang	Engler	Knaak	Olhoft	Staples
Benedict	Frederick	Laufenburger	Olson	Stumpf
Bernhagen	Gearty	Lessard	Penny	Tennessee
Borden	Gunderson	Luther	Peterson	Ueland, A.
Brataas	Hanson	McCutcheon	Renneke	Ulland, J.
Chenoweth	Hughes	Menning	Schmitz	Vega
Chmielewski	Humphrey	Moe	Sieloff	Willet
Coleman	Jensen	Nelson	Solon	

Mr. Merriam voted in the negative.

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

MESSAGES FROM THE HOUSE—CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 2102 and repassed said bill in accordance with the report of the Committee, so adopted.

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.

House File No. 2102 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 23, 1978

CONFERENCE COMMITTEE REPORT ON 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.

March 22, 1978

The Honorable Martin O. Sabo
Speaker of the House of Representatives

The Honorable Edward J. Gearty
President of the Senate

We, the undersigned conferees for H. F. No. 2102, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H. F. No. 2102 be amended as follows:

Pages 1 and 2, delete subdivision 4 and insert:

"Subd. 4. "Public employer" or "employer" means (a) the state of Minnesota and its political subdivisions and any agency or instrumentality of either; including in respect to employees of the state not otherwise provided for in this subdivision or section 179.74 for executive branch employees; (b) the board of regents of the University of Minnesota, the state universities and community colleges and school districts and their respective representatives in respect to employees thereof; and (c) the governing body of a political subdivision or agency or instrumentality thereof which has final budgetary approval authority, in respect to employees of that subdivision, agency or instrumentality. When two or more units of government subject to the provisions of sections 179.61 to 179.77 undertake a project or form a new agency of government under Minnesota Statutes, Chapter 402, or Section 471.59, or other law authorizing common or joint action, the employer for purposes of sections 179.61 to 179.77 shall be the governing person or board of the created agency and the governing official or body of the cooperating governmental units shall be bound by an agreement entered into by the created agency pursuant to the procedures of Minnesota Statutes, Sections 179.61 to 179.77 .

The term does not include a "charitable hospital" as defined in section 179.35, subdivision 2. *Nothing in this subdivision shall be construed to diminish the authority granted pursuant to law to an appointing authority in respect to the selection, direction, discipline or discharge of an individual employee insofar as such action is consistent with general procedures and standards relating to selection, direction, discipline or discharge which are the subject of an agreement entered into pursuant to sections 179.61 to 179.77.*

Sec. 2. *This act is effective May 1, 1978."*

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Douglas J. St. Onge, Mike Jaros, John T. Rose

Senate Conferees: (Signed) Tom A. Nelson, Conrad M. Vega, James Ulland

Mr. Nelson moved that the foregoing recommendations and Conference Committee Report on H. F. No. 2102 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

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.

Was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 44 and nays 0, as follows:

Those who voted in the affirmative were:

Bang	Frederick	Laufenburger	Penny	Solon
Benedict	Gearty	Lessard	Peterson	Spear
Bernhagen	Gunderson	Luther	Renneke	Staples
Brataas	Hanson	McCutcheon	Schmitz	Stumpf
Chenoweth	Hughes	Menning	Schrom	Tennessee
Chmielewski	Humphrey	Nelson	Setzepfandt	Ulland, J.
Coleman	Jensen	Nichols	Sieloff	Vega
Dieterich	Johnson	Olhoft	Sikorski	Willet
Engler	Knoll	Olson	Sillers	

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

MESSAGES FROM THE HOUSE—CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 2372 and repassed said bill in accordance with the report of the Committee, so adopted.

H. F. No. 2372: A bill for an act relating to public employee

labor relations; including physical therapists and occupational therapists in the definition of "teacher"; amending Minnesota Statutes 1976, Section 179.63, Subdivision 13.

House File No. 2372 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 23, 1978

CONFERENCE COMMITTEE REPORT ON H. F. NO. 2372

A bill for an act relating to public employee labor relations; including physical therapists and occupational therapists in the definition of "teacher"; amending Minnesota Statutes 1976, Section 179.63, Subdivision 13.

March 21, 1978

The Honorable Martin O. Sabo
Speaker of the House of Representatives

The Honorable Edward J. Gearty
President of the Senate

We, the undersigned conferees for H. F. No. 2372, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment.

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Thomas J. Mangan, Bruce Williamson, Douglas J. St. Onge.

Senate Conferees: (Signed) Jerome Gunderson, Jim Nichols, DeLores Knaak.

Mr. Gunderson moved that the foregoing recommendations and Conference Committee Report on H. F. No. 2372 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H. F. No. 2372: A bill for an act relating to public employee labor relations; including physical therapists and occupational therapists in the definition of "teacher"; amending Minnesota Statutes 1976, Section 179.63, Subdivision 13.

Was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 39 and nays 0, as follows:

Those who voted in the affirmative were:

Asbach	Gearty	Lessard	Penny	Spear
Bang	Gunderson	Luther	Peterson	Staples
Benedict	Hughes	McCutcheon	Renneke	Stumpf
Bernhagen	Jensen	Menning	Schmitz	Tennessee
Chmielewski	Johnson	Nelson	Setzepfandt	Ulland, J.
Coleman	Knaak	Nichols	Sieloff	Vega
Dieterich	Knoll	Olhoff	Sillers	Willet
Engler	Laufenburger	Olson	Solon	

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

MESSAGES FROM THE HOUSE—CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 474 and repassed said bill in accordance with the report of the Committee, so adopted.

H. F. No. 474: A bill for an act relating to highway traffic regulations; defining terms; driving rules; pedestrian rule; regulating the operation of motor vehicles, bicycles and other human powered vehicles; amending Minnesota Statutes 1976, Sections 169.01, Subdivisions 2, 3, 31, 51, and by adding a subdivision; 169.18, Subdivision 7; 169.19, Subdivisions 1 and 8; 169.20, Subdivision 4; 169.21, Subdivision 3; 169.31; and Chapter 169, by adding a section; repealing Minnesota Statutes 1976, Section 169.221.

House File No. 474 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 23, 1978

CONFERENCE COMMITTEE REPORT ON H. F. NO. 474

A bill for an act relating to highway traffic regulations; defining terms; driving rules; pedestrian rules; regulating the operation of motor vehicles, bicycles and other human powered vehicles; amending Minnesota Statutes 1976, Sections 169.01, subdivisions 2, 3, 31, 51, and by adding a subdivision; 169.18, Subdivision 7; 169.19, Subdivisions 1 and 8; 169.20, Subdivision 4; 169.21, Subdivision 3; 169.31; and Chapter 169, by adding a section; repealing Minnesota Statutes 1976, Section 169.221.

March 22, 1978

The Honorable Martin O. Sabo
Speaker of the House of Representatives

The Honorable Edward J. Gearty
President of the Senate

We, the undersigned conferees for H. F. No. 474, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from the amendment adopted March 17, 1978 and that the House concur in the other Senate amendments.

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Phyllis L. Kahn, Robert E. Vanasek, Delbert F. Anderson.

Senate Conferees: (Signed) Jerome Gunderson, Timothy J. Penny, Howard A. Knutson.

Mr. Gunderson moved that the foregoing recommendations and Conference Committee Report on H. F. No. 474 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H. F. No. 474: A bill for an act relating to highway traffic regulations; defining terms; driving rules; pedestrian rules; regulating the operation of motor vehicles, bicycles and other human powered vehicles; amending Minnesota Statutes 1976, Sections 169.01, Subdivisions 2, 3, 31, 51, and by adding a subdivision; 169.18, Subdivision 7; 169.19, Subdivisions 1 and 8; 169.20, Subdivision 4; 169.21, Subdivision 3; 169.31; and Chapter 169, by adding a section; repealing Minnesota Statutes 1976, Section 169.221.

Was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 42 and nays 4, as follows:

Those who voted in the affirmative were:

Ashbach	Gearty	Leasard	Olson	Staples
Bang	Gunderson	Luther	Penny	Stumpf
Benedict	Hughes	McCutcheon	Peterson	Tennessen
Bernhagen	Humphrey	Menning	Schmitz	Ueland, A.
Brataas	Jensen	Merriam	Setzepfandt	Ulland, J.
Chmielewski	Johnson	Nelson	Sikorski	Vega
Coleman	Knaak	Nichols	Sillers	
Dieterich	Knoll	Ogdahl	Solon	
Engler	Knutson	Olhoft	Spear	

Messrs. Laufenburger, Renneke, Sieloff and Willet voted in the negative.

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

MESSAGES FROM THE HOUSE—CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on

House File No. 830 and repassed said bill in accordance with the report of the Committee, so adopted.

H. F. No. 830: A bill for an act relating to public utilities; regulation of cooperative electric associations; amending Minnesota Statutes 1976, Sections 216B.01; 216B.02, Subdivision 4; 216B.06; 216B.17, by adding a subdivision; 216B.36; 216B.38, Subdivision 5; 216B.45; 216B.47; 216B.62, by adding a subdivision; repealing Minnesota Statutes 1976, Sections 216B.48, Subdivision 7; 216B.49, Subdivision 6; 216B.50, Subdivision 2; and 216B.51, Subdivision 2.

House File No. 830 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted, March 23, 1978

CONFERENCE COMMITTEE REPORT ON H. F. NO. 830

A bill for an act relating to public utilities; regulation of cooperative electric associations; amending Minnesota Statutes 1976, Sections 216B.01; 216B.02, Subdivision 4; 216B.06; 216B.17, by adding a subdivision; 216B.36; 216B.38, Subdivision 5; 216B.45; 216B.47; 216B.62, by adding a subdivision; repealing Minnesota Statutes 1976, Sections 216B.48, Subdivision 7; 216B.49, Subdivision 6; 216B.50, Subdivision 2; and 216B.51, Subdivision 2.

March 21, 1978

The Honorable Martin O. Sabo
Speaker of the House of Representatives
The Honorable Edward J. Gearty
President of the Senate

We, the undersigned conferees for H. F. No. 830, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H. F. No. 830 be amended as follows:

Page 3, after line 3, insert:

"A cooperative electric association may elect to become subject to rate regulation by the commission pursuant to sections 216B.03 to 216B.23. The election shall be (a) approved by July 1, 1978 by the board of directors of the association in accordance with the procedures for amending the articles of incorporation contained in section 308.15, subdivision 1, excluding the filing requirements; or (b) approved by a majority of members of stockholders voting by mail ballot initiated by petition of no less than five percent of the members or stockholders of the association. The ballot to be used for the election shall be approved by the board of directors and the department of public service. The department shall mail the ballots to the cooperative's members who

shall return the ballots to the department. The department will keep the ballots sealed until a date agreed upon by the department and the board of directors. On this date, representatives of the department and the cooperative shall count the ballots. If a majority of the cooperative's members who vote elect to become subject to rate regulation by the commission, the election shall be effective 30 days after certified copies of the resolutions approving the election are filed with the commission. Any cooperative electric association subject to regulation of rates by the commission shall be exempt from the provisions of sections 216B.48, 216B.49, 216B.50, and 216B.51."

Page 7, line 2, before "complaints" insert "all of the costs incurred in the adjudication of"

Page 7, line 3, after the period insert "Cooperative electric associations electing to become subject to rate regulation by the commission pursuant to section 216B.02, subdivision 4, shall be subject to this section."

Page 7, line 8, after the period insert "This act is effective in respect to applications for rate changes pending before the commission on the effective date; and no refunds of increased rates put into effect after suspension in proceedings pending before the commission on the effective date shall be necessary."

Further, amend the title as follows:

Page 1, line 2, after the semicolon insert "reducing" and after "of" insert "certain"

Page 1, line 3, after "associations" insert "unless an election to continue regulation is made"

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Gene R. Wenstrom, Ellsworth G. Smogard, Keith L. Langseth, Henry J. Kalis, Donald L. Friedrich

Senate Conferees: (Signed) Jim Nichols, Collin C. Peterson, Douglas J. Johnson, Neil Dieterich

Mr. Nichols moved that the foregoing recommendations and Conference Committee Report on H. F. No. 830 be now adopted, and that the bill be repassed as amended by the Conference Committee.

Mr. Merriam moved that the recommendations and Conference Committee Report on H. F. No. 830 be rejected, the Conference Committee discharged, and that a new Conference Committee be appointed by the Subcommittee on Committees to act with a like Conference Committee appointed on the part of the House.

The question was taken on the adoption of the Merriam motion.

The roll was called, and there were yeas 18 and nays 33, as follows:

Those who voted in the affirmative were:

Ashbach	Chenoweth	Knoll	Sieloff	Tennessee
Bang	Gearty	Luther	Spear	Ulland, J.
Benedict	Hughes	McCutcheon	Stumpf	Vega
Brataas	Knaak	Merriam		

Those who voted in the negative were:

Bernhagen	Johnson	Menning	Peterson	Stokowski
Chmielewski	Keefe, J.	Moe	Purfeerst	Strand
Engler	Kleinbaum	Nelson	Renneke	Ulland, A.
Frederick	Knutson	Nichols	Schmitz	Wegener
Gunderson	Laufenburger	Olhoff	Setzepfandt	Willet
Hanson	Lessard	Olson	Sillers	
Jensen	Lewis	Penny	Staples	

The motion did not prevail.

The question recurred on the Nichols motion.

CALL OF THE SENATE

Mr. Nichols imposed a call of the Senate.

The following Senators answered to their names:

Ashbach	Hanson	Lessard	Peterson	Strand
Bang	Hughes	Lewis	Purfeerst	Stumpf
Benedict	Humphrey	Luther	Renneke	Tennessee
Bernhagen	Jensen	McCutcheon	Schaaf	Ulland, A.
Chenoweth	Johnson	Menning	Schmitz	Ulland, J.
Chmielewski	Keefe, J.	Moe	Setzepfandt	Vega
Dieterich	Kleinbaum	Nelson	Sieloff	Wegener
Engler	Knaak	Nichols	Sillers	Willet
Frederick	Knoll	Olhoff	Spear	
Gearty	Knutson	Olson	Staples	
Gunderson	Laufenburger	Penny	Stokowski	

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

The question was taken on the adoption of the Nichols motion.

The roll was called, and there were yeas 36 and nays 16, as follows:

Those who voted in the affirmative were:

Bernhagen	Hanson	Menning	Purfeerst	Strand
Brataas	Jensen	Moe	Renneke	Ulland, A.
Chmielewski	Johnson	Nelson	Schmitz	Wegener
Coleman	Kleinbaum	Nichols	Setzepfandt	Willet
Engler	Knaak	Olhoff	Sieloff	
Frederick	Knutson	Olson	Sillers	
Gearty	Laufenburger	Penny	Solon	
Gunderson	Lewis	Peterson	Stokowski	

Those who voted in the negative were:

Bang	Humphrey	McCutcheon	Spear	Tennessee
Benedict	Knoll	Merriam	Staples	Ulland, J.
Chenoweth	Luther	Schaaf	Stumpf	Vega
Hughes				

The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H. F. No. 830: A bill for an act relating to public utilities; reducing regulation of certain cooperative electric associations unless an election to continue regulation is made; amending Minnesota Statutes 1976, Sections 216B.01; 216B.02, Subdivision 4; 216B.06; 216B.17, by adding a subdivision; 216B.36; 216B.38, Subdivision 5; 216B.45; 216B.47; 216B.62, by adding a subdivision; repealing Minnesota Statutes 1976, Sections 216B.48, Subdivision 7; 216B.49, Subdivision 6; 216B.50, Subdivision 2; and 216B.51, Subdivision 2.

Was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 37 and nays 19, as follows:

Those who voted in the affirmative were:

Benedict	Gunderson	Lewis	Penny	Stokowski
Bernhagen	Hanson	Menning	Peterson	Strand
Brataas	Humphrey	Moe	Purfeerst	Ueland, A.
Chmielewski	Jensen	Nelson	Renneke	Wegener
Coleman	Keefe, J.	Nichols	Schmitz	Willet
Engler	Kleinbaum	Ogdahl	Setzepfandt	
Frederick	Knutson	Olhoff	Sillers	
Gearty	Laufenburger	Olson	Solon	

Those who voted in the negative were:

Bang	Johnson	Luther	Sieloff	Tennessee
Chenoweth	Knaak	McCutcheon	Spear	Ulland, J.
Dieterich	Knoll	Merriam	Staples	Vega
Hughes	Lessard	Schaaf	Stumpt	

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

MESSAGES FROM THE HOUSE—CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 1726 and repassed said bill in accordance with the report of the Committee, so adopted.

H. F. No. 1726: A bill for an act relating to special assessment; clarifying availability of certain appeal procedures; eliminating use of alternative procedures; increasing the time for appealing certain special assessments; amending Minnesota Statutes 1976, Section 429.081; and Minnesota Statutes, 1977 Supplement, Section 278.-01.

House File No. 1726 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 23, 1978

CONFERENCE COMMITTEE REPORT ON H. F. NO. 1726

A bill for an act relating to special assessments; clarifying availability of certain appeal procedures; eliminating use of alternative procedures; increasing the time for appealing certain special assessments; amending Minnesota Statutes 1976, Section 429.081; and Minnesota Statutes, 1977 Supplement, Section 278.01.

March 21, 1978

The Honorable Martin O. Sabo
Speaker of the House of Representatives

The Honorable Edward J. Gearty
President of the Senate

We, the undersigned conferees for H. F. No. 1726, report that we have agreed upon the items in dispute and recommend as follows:

The Senate recede from its amendments and H. F. No. 1726 be amended as follows:

Page 3, line 3, delete "do"

Page 3, delete lines 4 and 5

Page 3, line 6, delete "and"

Page 3, line 7, before the period insert "*made pursuant to chapters 429, 430, any special law or city charter*"

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Arnold E. Kempe, James I. Rice, John D. Tomlinson.

Senate Conferees: (Signed) A. O. H. Setzepfandt, Robert J. Schmitz, Steve Engler.

Mr. Setzepfandt moved that the foregoing recommendations and Conference Committee Report on H. F. No. 1726 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H. F. No. 1726: A bill for an act relating to special assessments; clarifying availability of certain appeal procedures; eliminating use of alternative procedures; increasing the time for appealing certain special assessments; amending Minnesota Statutes 1976, Section 429.081; and Minnesota Statutes, 1977 Supplement, Section 278.01.

Was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 54 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Gearty	Laufenburger	Olson	Spear
Bang	Gunderson	Lessard	Penny	Staples
Benedict	Hanson	Lewis	Peterson	Stokowski
Bernhagen	Hughes	Luther	Purfeerst	Stumpf
Brataas	Jensen	McCutcheon	Renneke	Tennessen
Chenoweth	Johnson	Menning	Schaaf	Ueland, A.
Chmielewski	Keefe, J.	Merriam	Schmitz	Ulland, J.
Coleman	Kleinbaum	Moe	Setzepfandt	Vega
Dieterich	Knaak	Nelson	Sieloff	Wegener
Engler	Knoll	Nichols	Sillers	Willet
Frederick	Knutson	Olhoff	Solon	

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

MESSAGES FROM THE HOUSE—CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 1916 and repassed said bill in accordance with the report of the Committee, so adopted.

H. F. No. 1916: A bill for an act relating to taxation; defining the use of sales ratio studies; requiring social security numbers; providing a procedure for handling ad valorem tax abatements; providing a uniform appeal and demand period; clarifying classification of certain homesteads; recodifying the classification of resort property; allowing a special levy for commuter van program; providing adjustments to the levy limit base; defining resident estate and resident trust for income tax purposes; defining income in computing low income credit; providing apportionment in computing minimum tax on preference items; allowing a carryback period for out-of-state losses; authorizing the commissioner of revenue to release information to assessors; amending Minnesota Statutes 1976, Sections 270.07, by adding a subdivision; 270.075, Subdivision 2; 270.076, Subdivision 1; 272.08; 273.13, Subdivision 19, and by adding a subdivision; 290.01, by adding subdivisions; 290.46; 290.47; 290.48, Subdivisions 1 and 2; 290A.11, Subdivision 1; 290A.12; 292.08, Subdivision 4; 292.09, Subdivision 3; 294.02; 294.021; 297.07, Subdivision 3; 297.09, Subdivision 5; 297.35, Subdivision 3; 297.37, Subdivision 5; 297A.31, Subdivision 1; 297A.33, Subdivision 1; and Chapter 270, by adding a section; Minnesota Statutes, 1977 Supplement, Sections 124.212, Subdivision 11; 273.13, Subdivisions 4 and 6; 275.50, Subdivision 5; 275.51, Subdivision 3d; 290.012, Subdivision 2; 290.091; 290.17; 298.282, Subdivision 2; 298.48, Subdivision 4; repealing Laws 1977, Chapter 307, Section 27.

House File No. 1916 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 23, 1978

CONFERENCE COMMITTEE REPORT ON H. F. NO. 1916

A bill for an act relating to taxation; defining the use of sales ratio studies; requiring social security numbers; providing a procedure for handling ad valorem tax abatements; providing a uniform appeal and demand period; clarifying classification of certain homesteads; recodifying the classification of resort property; allowing a special levy for commuter van program; providing adjustments to the levy limit base; defining resident estate and resident trust for income tax purposes; defining income in computing low income credit; providing apportionment in computing minimum tax on preference items; allowing a carryback period for out-of-state losses; authorizing the commissioner of revenue to release information to assessors; amending Minnesota Statutes 1976, Sections 270.07, by adding a subdivision; 270.075, Subdivision 2; 270.076, Subdivision 1; 272.08; 273.13, Subdivision 19, and by adding a subdivision; 290.01, by adding subdivisions; 290.46; 290.47; 290.48, Subdivisions 1 and 2; 290A.11, Subdivision 1; 290A.12; 292.08, Subdivision 4; 292.09, Subdivision 3; 294.02; 294.021; 297.07, Subdivision 3; 297.09, Subdivision 5; 297.35, Subdivision 3; 297.37, Subdivision 5; 297A.31, Subdivision 1; 297A.33, Subdivision 1; and Chapter 270, by adding a section; Minnesota Statutes, 1977 Supplement, Sections 124.212, Subdivision 11; 273.13, Subdivisions 4 and 6; 275.50, Subdivision 5; 275.51, Subdivision 3d; 290.012, Subdivision 2; 290.091; 290.17; 298.282, Subdivision 2; 298.48, Subdivision 4; repealing Laws 1977, Chapter 307, Section 27.

March 23, 1978

The Honorable Martin O. Sabo
Speaker of the House of Representatives

The Honorable Edward J. Gearty
President of the Senate

We, the undersigned conferees for H. F. No. 1916, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H. F. No. 1916 be further amended as follows:

Page 8, line 12, delete "*four*" and insert "*three*"

Page 8, after line 15, insert:

"Sec. 11. Minnesota Statutes 1976, Section 273.13, Subdivision 6a, is amended to read:

Subd. 6a. [HOMESTEAD OWNED BY FAMILY FARM CORPORATION OR PARTNERSHIP.] (a) Each family farm corporation and each partnership operating a family farm shall be entitled to class 3b assessment and shall be eligible for the credit provided in subdivision 6 for one homestead occupied by a shareholder or partner thereof who is residing on the land and actively

engaged in farming of the land owned by the corporation or partnership. Such a homestead shall not exceed 120 160 acres, and shall be assessed as provided in subdivision 6, notwithstanding the fact that legal title to the property may be in the name of the corporation or partnership and not in the name of the person residing thereon. "Family farm corporation" and "family farm" shall mean as defined in section 500.24.

(b) In addition to property specified in paragraph (a), any other residences owned by corporations or partnerships described in paragraph (a) which are located on agricultural land and occupied as homesteads by shareholders or partners who are actively engaged in farming on behalf of the corporation or partnership shall also be assessed as class 3b property, and be entitled to the credit provided in subdivision 6, but the property eligible shall be limited to the residence itself and as much of the land surrounding the homestead, not exceeding one acre, as is reasonably necessary for the use of the dwelling as a home, and shall not include any other structures that may be located thereon."

Page 34, after line 15, insert:

"Sec. 34. Minnesota Statutes 1976, Section 297B.035, is amended by adding a subdivision to read:

Subd. 3. Motor vehicles sold by a new motor vehicle dealer in contravention of section 168.27, subdivision 10, clause (1) (b) shall not be considered to have been acquired or purchased for resale in the ordinary or regular course of business for the purposes of this chapter, and the dealer shall be required to pay the excise tax due on the purchase of those vehicles."

Page 36, after line 23, insert:

"Sec. 38. Laws 1977, Chapter 423, Article I, Section 16, is amended to read:

Sec. 16. [EFFECTIVE DATE.] The Internal Revenue Code updated provision in section 1 is effective for taxable years beginning after December 31, 1976. Section 3 is effective for wages paid after December 31, 1977. Section 14 is effective for taxable years beginning after December 31, 1976. *Insofar as it applies to estates and trusts, section 11 is effective for taxable years beginning after December 31, 1978.* The remainder of this article is effective for taxable years beginning after December 31, 1977."

Renumber the sections in sequence

Page 36, line 26, delete "33, 34" and insert "35, 36"

Page 36, line 27, delete "36" and insert "39"

Page 36, line 28, delete "18 to 32 and 35" and insert "19 to 33 and 37"

Page 36, line 29, after "9" insert "and 11"

Page 36, line 31, delete "to 12" and insert ", 12 and 13"

Page 37, line 1, delete "13 to 17" and insert "14 to 18"

Page 37, line 2, delete "16" and insert "17"

Page 37, line 4, after the period insert: "*Section 34 is effective for sales occurring after June 30, 1978, provided that excise taxes shall not be due or collected with respect to sales occurring prior to July 1, 1978. Section 38 is effective for taxable years beginning after December 31, 1977.*"

Further, amend the title as follows:

Page 1, line 7, after "homesteads;" insert "increasing size of family farm which qualifies for homestead treatment;"

Page 1, line 16, after the semicolon insert "imposing the motor vehicle excise tax on future sales of certain motor vehicles; delaying effective date of estate and trust income allocation provision;"

Page 1, line 20, delete "Subdivision" and insert "Subdivisions 6a and"

Page 1, line 27, after "297A.33, Subdivision 1;" insert "297B.035, by adding a subdivision;"

Page 1, line 33, after the semicolon insert "and Laws 1977, Chapter 423, Article I, Section 16;"

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) James C. Pehler, James R. Casserly, Wesley J. Skoglund

Senate Conferees: (Signed) Collin Peterson, Bill McCutcheon, Jerald C. Anderson

Mr. McCutcheon moved that the foregoing recommendations and Conference Committee Report on H. F. No. 1916 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H. F. No. 1916: A bill for an act relating to taxation; defining the use of sales ratio studies; requiring social security numbers; providing a procedure for handling ad valorem tax abatements; providing a uniform appeal and demand period; clarifying classification of certain homesteads; increasing size of family farm which qualifies for homestead treatment; recodifying the classification of resort property; allowing a special levy for commuter van program; providing adjustments to the levy limit base; defining resident estate and resident trust for income tax purposes; defining income in computing low income credit; providing apportionment in computing minimum tax on preference items; allowing a carryback period for out-of-state losses; authorizing the commissioner of revenue to release information to assessors; imposing the motor vehicle excise tax on future sales of certain motor vehicles; delaying effective date of estate and trust income allocation provision;

amending Minnesota Statutes 1976, Sections 270.07, by adding a subdivision; 270.075, Subdivision 2; 270.076, Subdivision 1; 272.08; 273.13, Subdivisions 6a and 19, and by adding a subdivision; 290.01, by adding subdivisions; 290.46; 290.47; 290.48, Subdivisions 1 and 2; 290A.11, Subdivision 1; 290A.12; 292.08, Subdivision 4; 292.09, Subdivision 3; 294.02; 294.021; 297.07, Subdivision 3; 297.09, Subdivision 5; 297.35, Subdivision 3; 297.37, Subdivision 5; 297A.31, Subdivision 1; 297A.33, Subdivision 1; 297B.035, by adding a subdivision; and Chapter 270, by adding a section; Minnesota Statutes, 1977 Supplement, Sections 124.212, Subdivision 11; 273.13, Subdivisions 4 and 6; 275.50, Subdivision 5; 275.51, Subdivision 3d; 290.012, Subdivision 2; 290.091; 290.17; 298.282, Subdivision 2; 298.48, Subdivision 4; and Laws 1977, Chapter 423, Article I, Section 16; repealing Laws 1977, Chapter 307, Section 27.

Was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

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

Those who voted in the affirmative were:

Ashbach	Gearty	Knutson	Nichols	Spear
Bang	Gunderson	Laufenburger	Olhoff	Staples
Benedict	Hanson	Lessard	Olson	Stokowski
Bernhagen	Hughes	Lewis	Penny	Tennessee
Brataas	Humphrey	Luther	Peterson	Ueland, A.
Chmielewski	Jensen	McCutcheon	Renneke	Ulland, J.
Coleman	Johnson	Merriam	Setzepfandt	Vega
Dieterich	Keefe, J.	Merriam	Sieloff	Willet
Engler	Kleinbaum	Moe	Sillers	
Frederick	Knaak	Nelson	Solon	

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

MOTIONS AND RESOLUTIONS—CONTINUED

S. F. No. 1689 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S. F. NO. 1689

A bill for an act relating to battered women; appropriating money; amending Minnesota Statutes, 1977 Supplement, Sections 241.62, Subdivisions 1 and 4 and by adding a subdivision; 241.63; 241.66, Subdivision 2, and by adding a subdivision.

March 22, 1978

The Honorable Edward J. Gearty
President of the Senate

The Honorable Martin O. Sabo
Speaker of the House of Representatives

We, the undersigned conferees for S. F. No. 1689, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S. F. No. 1689 be amended as follows:

Page 3, line 22, after "241.62" insert "*and report to the legislature by January 1, 1979 on the feasibility of creating similar programs for men*"

Page 4, line 14, delete "\$200,000" and insert "\$100,000"

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) B. Robert Lewis, Winston W. Borden, Howard A. Knutson, Bill McCutcheon, Nancy Brataas.

House Conferees: (Signed) Phyllis L. Kahn, Donald Samuelson, Paul McCarron, Douglas J. St. Onge, Kenneth P. Zubay.

Mr. Lewis moved that the foregoing recommendations and Conference Committee Report on S. F. No. 1689 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S. F. No. 1689: A bill for an act relating to battered women; appropriating money; amending Minnesota Statutes, 1977 Supplement, Sections 241.62, Subdivisions 1 and 4 and by adding a subdivision; 241.63; 241.66, Subdivision 2, and by adding a subdivision.

Was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

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

Those who voted in the affirmative were:

Bang	Gunderson	Knutson	Olhoft	Spear
Benedict	Hanson	Laufenburger	Olson	Staples
Bernhagen	Hughes	Lessard	Penny	Stokowski
Brataas	Humphrey	Lewis	Peterson	Tennessen
Chenoweth	Jensen	Luther	Purfeerst	Ueland, A.
Coleman	Johnson	McCutcheon	Renneke	Ulland, J.
Dieterich	Keefe, J.	Menning	Setzepfandt	Vega
Engler	Kleinbaum	Merriam	Sieloff	Willet
Frederick	Knaak	Moe	Sillers	
Gearty	Knoll	Nelson	Solon	

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

MOTIONS AND RESOLUTIONS—CONTINUED

S. F. No. 438 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S. F. NO. 438

A bill for an act relating to bank charters; classifying data contained in financial statements of applicants; requiring payment of

certain costs; requiring approval of managing officers; regulating issuance and expiration of certificates of authorization and charters; amending Minnesota Statutes 1976, Sections 45.04; and 45.07.

March 21, 1978

The Honorable Edward J. Gearty

President of the Senate

The Honorable Martin O. Sabo

Speaker of the House of Representatives

We, the undersigned conferees for S. F. No. 438, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and S. F. No. 438 be amended as follows:

Strike everything after the enacting clause and insert:

"Section 1. [FINDINGS.] The legislature finds that the laws governing our financial institutions have not been reviewed as a whole by the governing bodies of this state for over forty years; that during that period major and significant social, competitive and technological changes have occurred which have affected many categories of financial institutions; and that a comprehensive study of the effects of these changes upon the institutions and existing laws and the resulting need for any changes in our laws is necessary to ensure that the financial institutions of this state may develop to their maximum extent and to ensure that the future financial needs of the citizens and institutions are met.

Sec. 2. [STUDY COMMISSION ON FINANCIAL INSTITUTIONS.] Subdivision 1. A study commission is created to study and report on the services and regulation of financial institutions in Minnesota, including banks subject to chapter 48; savings banks organized and operated pursuant to chapter 50; savings and loan associations subject to chapter 51A; credit unions organized pursuant to chapter 52; industrial loan and thrift companies organized pursuant to chapter 53; small loan companies subject to chapter 56; federally-chartered banks, savings and loan associations and credit unions; insurance companies, to the extent of their credit extension activities only; and such other financial institutions as the commission deems necessary and important to carry out its duties under this section.

Subd. 2. The commission consists of seven members appointed by the governor. The members shall be knowledgeable in the area of financial services and shall have had practical experience in the provision of financial services, regulation of financial service providers, representation of interests of consumers of financial services, or actual use of financial services to a significant degree, but shall not have been employees of the financial services industry within the six months preceding their appointment. Members shall serve until December 31, 1979. The compensation of members, their removal and the filling of vacancies shall be as provided in section 15.059.

Subd. 3. The commission shall study, make findings and recommendations, and report on:

(a) The roles, functions and services of all categories of financial institutions, their inter-relationships and any specific changes in state laws;

(b) The expected future need for capital and financial services of all consumers and the means to achieve the needs;

(c) The feasibility of and methods for this state becoming a more significant financial center;

(d) Regulation of the structure of the financial services industry, competition within the financial services industry and consumer protection;

(e) The propriety of present interest rate ceilings and the need for alternative systems for altering interest rate ceilings; and

(f) The adequacy of or need for the present degree of regulation of financial institutions by the commissioner of banking.

Subd. 4. The commission may study, make findings and recommendations and report on other matters the commission believes necessary and important.

Subd. 5. The commission shall hold meetings and hearings at the times and places it designates to accomplish the purposes set forth in this section. It shall select a chairman and vice chairman from its membership. The commission may conduct inspections, take testimony, require by subpoena the attendance of witnesses and production of records and documents, and administer oaths as it deems advisable to accomplish the purposes set forth in this section. A subpoena shall be issued only upon an affirmative vote of a majority of all members of the commission. Subpoenas shall be issued over the signature of the chairman and shall be served by any person designated by the chairman. Any member of the commission may administer oaths or affirmations to witnesses appearing before the commission.

Subd. 6. The commission has authority to employ staff, rent office space and enter into contracts. Commission staff members shall work in consultation with appropriate staff members of the office of senate counsel and house research. Commission members shall be compensated at the rate of \$50 per day spent on commission activities, when authorized by the commission, plus expenses in the same manner and amount as received by state employees.

Subd. 7. The chairman of the commission, or the vice chairman in the absence of the chairman, shall be the official spokesman of the commission in its relations with the legislature, governmental agencies, other persons and the public, and, on behalf of the commission, shall see that the administrative policies and decisions of the commission are faithfully executed.

Sec. 3. Minnesota Statutes 1976, Section 45.04, Subdivision 1, is amended to read:

45.04 [BANK APPLICATIONS.] Subdivision 1. **[FILING; FEE; HEARING.]** The incorporators of any bank proposed to be organized under the laws of this state shall execute and acknowledge an application, in writing, in the form prescribed by the department of commerce, and shall file the same in its office, which application shall be signed by two or more of the incorporators, requesting a certificate authorizing the proposed bank to transact business at the place and in the name stated in the application. At the time of filing the application the applicant shall pay a filing fee of \$1,000, which shall be paid into the state treasury and credited to the general fund and shall pay to the commissioner of banks the sum of \$500 as a fee for investigating the application which shall be turned over by him to the state treasurer and credited by the treasurer to the general fund of the state. *Notwithstanding Minnesota Statutes, Section 15.052, the applicant shall pay to the commission the lesser of the actual costs of the hearing or \$3,000. If the actual costs of the hearing exceed \$3,000, the applicant and objectors shall pay to the commission all the excess costs of the hearing, sharing those costs equally among them.* Thereupon the commission shall fix a time, within 60 days after the filing of the application, for a hearing at its office at the state capitol, at which hearing it shall decide whether or not the application shall be granted. A notice of the hearing shall be published in the form prescribed by the commission in some newspaper published in the municipality in which the proposed bank is to be located, and if there be no such newspaper, then at the county-seat of the county in which the bank is proposed to be located. The notice shall be published once, at the expense of the applicants, not less than 30 days prior to the date of the hearing. *In addition to the publication of the notice of hearing the applicant shall, at least 20 days prior to the hearing, serve a copy of the notice, by certified mail, on all financial institutions within a five mile radius of the proposed location of the proposed bank if it is to be located in the metropolitan area as defined in Minnesota Statutes 1976, Section 473.121, Subdivision 2; and if proposed to be located at any other location in Minnesota, on all financial institutions located in the county of the proposed location and in all adjacent counties of the proposed location. The applicant shall file an affidavit of service, listing the financial institutions served, with the department of commerce at least 15 days prior to the hearing. Such publication, service, and filing of the affidavit shall be deemed jurisdictional.* At the hearing the commission shall consider the application and hear the applicants and such witnesses as may appear in favor of or against the granting of the application of the proposed bank.

For the purpose of this section, "objector" means any person who gives notice of intent to appear at a hearing in opposition to the granting of an application.

Sec. 4. Minnesota Statutes, 1977 Supplement, Section 47.52, is amended to read:

47.52 [AUTHORIZATION.] (a) With the prior approval of the commissioner, any bank doing business in this state may establish and maintain not more than two detached facilities provided the

facilities are located within the municipality in which the principal office of the applicant bank is located; or within 5,000 feet of its principal office measured in a straight line from the closest points of the closest structures involved; or within 25 miles of its principal office measured in a straight line from the closest points of the closest structures involved, if the detached facility is within any municipality in which no bank is located at the time of application or if the detached facility is in a municipality having a population of more than 10,000, according to the last previous United States census, or if the detached facility is located in a municipality having a population of 10,000 or less and all the banks having a principal office in the municipality have consented in writing to the establishment of the facility ; or *within the premises of an airport, acquired, established, maintained or operated by a political subdivision, public corporation, authority or district in this state, which is within 25 miles of the bank's principal office measured in a straight line from the closest structures involved* . (b) A detached facility shall not be closer than 50 feet to a detached facility operated by any other bank and shall not be closer than 100 feet to the principal office of any other bank, the measurement to be made in the same manner as provided above. This clause shall not be applicable if the proximity to the facility or the bank is waived in writing by the other bank and filed with the application to establish a detached facility.

Sec. 5. [LEOTA, TOWN OF; DETACHED BANKING FACILITY; AUTHORIZATION.] *With the prior approval of the commissioner of banks, a bank doing business in this state may establish and maintain not more than one detached facility in the town of Leota in Nobles county. Any bank desiring to establish a detached facility shall follow the approval procedure prescribed in Minnesota Statutes, Section 47.54. The establishment of a detached facility in the town of Leota shall be subject to the provisions of Minnesota Statutes, Sections 47.51 to 47.57.*

Sec. 6. [APPROPRIATION.] *There is appropriated from the general fund to the legislative coordinating commission the sum of \$150,000 for the period ending June 30, 1979, to pay the expenses incurred by the study commission in the exercise of its duties pursuant to section 2.*

Sec. 7. [EFFECTIVE DATE.] *Sections 2, 3, 4 and 6 are effective the day following final enactment. Section 5 is effective upon approval by the town board of the town of Leota and upon compliance with Minnesota Statutes, Section 645.021. Section 3 shall apply to applications for certificates of authorization filed on that date and thereafter."*

Further, strike the title and insert:

"A bill for an act relating to financial institutions; creating a study commission to study services and regulation of financial institutions; requiring payment of certain costs and service of notice of hearing in regard to bank charter applications; authorizing detached facilities at certain airports; authorizing the establishment of a detached banking facility in the town of Leota in Nobles county; appropriating money; amending Minnesota Statutes 1976,

Section 45.04, Subdivision 1; and Minnesota Statutes, 1977 Supplement, Section 47.52."

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) Robert J. Tennessen, Roger Laufenburger, Mel Frederick.

House Conferees: (Signed) Glen H. Anderson, James C. Swanson, Bernard J. Brinkman.

Mr. Tennessen moved that the foregoing recommendations and Conference Committee Report on S. F. No. 438 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S. F. No. 438: A bill for an act relating to bank charters; classifying data contained in financial statements of applicants; requiring payment of certain costs; requiring approval of managing officers; regulating issuance and expiration of certificates of authorization and charters; amending Minnesota Statutes 1976, Sections 45.04; and 45.07.

Was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 47 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Gunderson	Laufenburger	Olson	Solon
Bang	Hughes	Lessard	Penny	Spear
Benedict	Humphrey	Lewis	Peterson	Staples
Bernhagen	Jensen	Luther	Purfeerst	Tennessen
Brataas	Johnson	McCutcheon	Renneke	Ulland, J.
Coleman	Keefe, J.	Menning	Schmitz	Vega
Dieterich	Kleinbaum	Merriam	Schrom	Willet
Engler	Knaak	Moe	Setzepfandt	
Frederick	Knoll	Nelson	Sieloff	
Gearty	Knutson	Olhoff	Sillers	

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

MOTIONS AND RESOLUTIONS—CONTINUED

S. F. No. 804 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S. F. NO. 804

A bill for an act relating to highway traffic regulations; driving under the influence of alcohol or controlled substances; chemical tests and consent therefor; providing for immediate notice of revocation of a driver license or permit, retention of the

license or permit by a court or peace officer and the substitution of temporary licenses under certain circumstances; providing for county court jurisdiction over prosecution for certain offenses; prescribing penalties; amending Minnesota Statutes 1976, Sections 169.121; 169.123; 169.127; and Chapter 169, by adding sections; repealing Minnesota Statutes 1976, Section 171.245.

March 22, 1978

The Honorable Edward J. Gearty
President of the Senate

The Honorable Martin O. Sabo
Speaker of the House of Representatives

We, the undersigned conferees for S. F. No. 804, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and S. F. No. 804 be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1976, Section 169.01, is amended by adding a subdivision to read:

Subd. 61. [ALCOHOL CONCENTRATION.] "Alcohol concentration" means

(a) the number of grams of alcohol per 100 milliliters of blood, or

(b) the number of grams of alcohol per 210 liters of breath, or

(c) the number of grams of alcohol per 67 milliliters of urine.

Sec. 2. Minnesota Statutes 1976, Section 169.121, is amended to read:

169.121 [MOTOR VEHICLE DRIVERS UNDER INFLUENCE OF ALCOHOL OR CONTROLLED SUBSTANCE.] Subdivision 1. It shall be is a misdemeanor for any person described in clauses (a), (b), (c) or (d) to drive, operate or be in actual physical control of any motor vehicle within this state:

(a) A When the person who is under the influence of an alcoholic beverage or narcotic drug alcohol ;

(b) A When the person who is an habitual user of narcotic drugs or who is under the influence of a controlled substance which impairs the ability to drive ;

(c) A When the person who is under the influence of a combination of any two or more of the elements named in clauses (a) and (b) hereof ; or

(d) A person whose blood contains When the person's alcohol concentration is 0.10 percent or more by weight of alcohol .

When a police officer has reason to believe from the manner in which a driver is driving, operating, or actually controlling, or has driven, operated, or actually controlled, a vehicle that such driver may be violating this subdivision he may require the driver to provide a sample of his breath for an immediate preliminary screening test or analysis before an arrest is made, using a device approved by the commissioner for this purpose. The results of such a preliminary screening test or analysis shall be used only for the purpose of guiding the officer in deciding whether an arrest should be made, and shall not be used as evidence in any court action.

The driver of any motor vehicle shall furnish such a sample of his breath when required to do so. The provisions of section 160-123, shall apply to any driver who refuses to furnish a sample of his breath; provided that the license or permit of a driver shall not be revoked pursuant to section 160-123, subdivision 4, for refusal to provide a sample of his breath for preliminary screening purposes, if he submits to a blood, breath or urine test to determine the alcoholic content of his blood pursuant to section 160-123, subdivision 2. Another test may be required of the driver following the screening test pursuant to the provisions of this chapter, which shall be admissible evidence in accordance therewith.

Nothing in this subdivision authorizing such preliminary screening test or analysis shall be construed as changing, limiting, or otherwise modifying the procedures, safeguards, and other provisions of sections 160-121 to 160-123 or ordinances in conformity therewith.

The provisions of this subdivision apply, but are not limited in application, to any person who drives, operates, or who is in actual physical control of any motor vehicle in the manner prohibited by this subdivision upon the ice of any lake, stream, or river, including but now limited to the ice of any boundary water.

Subd. 2. Upon the trial of any prosecution arising out of acts alleged to have been committed by any person arrested for driving, operating, or *being* in actual physical control of a motor vehicle in violation of subparagraphs a, c, or d of subdivision 1 hereof, the court may admit evidence of the amount of alcohol or a controlled substance in the person's blood, breath, or urine as shown by a medical or chemical analysis thereof; if said the test is taken voluntarily or pursuant to section 169.123.

For the purposes of this subdivision:

(a) evidence that there was at the time *an alcohol concentration* of 0.05 percent or less by weight of alcohol in the person's blood is *prima facie* evidence that *such the* person was not under the influence of an alcoholic beverage *alcohol*;

(b) evidence that there was at the time *an alcohol concentration* of more than 0.05 percent and less than 0.10 percent by weight of alcohol in the person's blood is relevant evidence but it is not to be given *prima facie* effect in indicating whether or not the person was under the influence of an alcoholic beverage *alcohol*.

The foregoing provisions shall not be construed as limiting *do not limit* the introduction of any other competent evidence bearing upon the question whether or not *such the* person was under the influence of an alcoholic beverage *alcohol or a controlled substance*.

For the purposes of this section, an "alcoholic beverage" means any liquid containing more than one-half of one percent of alcohol by volume.

For the purposes of this section "percent by weight of alcohol" shall be defined as the number of grams of alcohol per 100 milliliters of blood.

Subd. 3. Every person who is convicted of a violation of this section or an ordinance in conformity therewith shall be punishable by imprisonment of not less than ten days nor more than 90 days, or by a fine of not less than \$10 nor more than \$300 \$500, or both, and his driver's license shall be revoked for not less than 30 days, except that every person who is convicted of a violation of this section or an ordinance in conformity therewith, when such the violation is found to be the proximate cause of grievous great bodily injury harm as defined in section 609.02, subdivision 8, or death to another person, shall be punished by imprisonment for not less than 60 days nor more than 90 days, or by fine of not more than \$300 \$500, or both, and his driver's license shall be revoked for not less than 90 days.

Any person whose license has been revoked pursuant to section 169.123 is not subject to the mandatory revocation provision of this subdivision.

Subd. 4. Every person who is convicted of a violation of this section or an ordinance in conformity therewith within three years of any previous such conviction under this section shall be punished by imprisonment for not less than ten days nor more than 90 days, or a fine of not more than \$500, or both, and his driver's license shall be revoked for not less than 90 days.

Subd. 5. Whenever a person is charged with a violation of this section within three years of a previous conviction hereunder, and he shall forfeit his bail, it shall be the duty of the prosecuting officer to immediately apply to the forthwith issue a warrant for the arrest of the accused.

Subd. 6 5. The court may stay imposition or execution of any sentence authorized by subdivision 3 or 4 on the condition that the convicted person submit to treatment by a public or private institution or a facility providing rehabilitation for chemical dependency licensed by the department of public welfare. A stay of imposition or execution shall be in the manner provided in section 609.135. The court shall report to the commissioner of public safety any stay of imposition or execution of sentence granted under the provisions of this section.

Subd. 7. Any person whose license has been revoked pursuant to section 169.127 shall not be subject to the mandatory revocation provision of subdivision 3.

Subd. 6. When a peace officer has reason to believe from the manner in which a person is driving, operating, or controlling a motor vehicle, or has driven, operated, or controlled a motor vehicle, that the driver may be violating or has violated subdivision 1, he may require the driver to provide a sample of his breath for a preliminary screening test using a device approved by the commissioner of public safety for this purpose. The results of this preliminary screening test shall be used for the purpose of deciding whether an arrest should be made and whether to require the chemical tests authorized in section 169.123, but shall not be used in any court action except to prove that a chemical test was properly required of a person pursuant to section 169.123, subdivision 2. Following the screening test additional tests may be required of the driver pursuant to the provisions of section 169.123.

The driver of a motor vehicle who refuses to furnish a sample of his breath is subject to the provisions of section 169.123 unless, in compliance with 169.123, he submits to a blood, breath or urine test to determine the presence of alcohol or a controlled substance.

Subd. 7. On behalf of the commissioner of public safety a court shall serve notice of revocation on a person convicted of a violation of this section. The court shall take the license or permit of the driver, if any, or obtain a sworn affidavit stating that the license or permit cannot be produced, and send it to the commissioner with a record of the conviction and issue a temporary license effective only for the period during which an appeal from the conviction may be taken. No person who is without driving privileges at the time shall be issued a temporary license and any temporary license issued shall bear the same restrictions and limitations as the driver's license or permit for which it is exchanged.

The commissioner shall issue additional temporary licenses until the final determination of whether there shall be a revocation under this section.

Sec. 3. Minnesota Statutes 1976, Section 169.123, as amended by Laws 1977, Chapter 82, Section 2, is amended to read:

169.123 [CHEMICAL TESTS FOR INTOXICATION.] Subdivision 1. [PEACE OFFICER DEFINED.] For purposes of this section and section 169.121, subdivision 2, the term peace officer means a state highway patrol officer, university of Minnesota peace officer, or full time police officer of any municipality, including towns having powers under section 368.01, or county having satisfactorily completed a prescribed course of instruction in a school for instruction of persons in law enforcement conducted by the University of Minnesota or a similar course considered equivalent by the commissioner of public safety.

Subd. 2. [IMPLIED CONSENT; CONDITIONS; ELECTION AS TO TYPE OF TEST.] (a) Any person who drives or, operates, or is in physical control of a motor vehicle upon the public highways of within this state shall be deemed to have given consent consents, subject to the provisions of this section and section 169.121, subdivision 2, to a chemical test of his blood, breath, or

urine for the purpose of determining the alcoholic content of his blood presence of alcohol or a controlled substance. The test shall be administered at the direction of a peace officer. The test may be administered required of a person when the an officer has reasonable and probable grounds to believe that a the person was driving or , operating a motor vehicle while said person was under the influence of an alcoholic beverage , or in physical control of a motor vehicle in violation of section 169.121 and one of the following conditions exist: (1) the said person has been lawfully placed under arrest for alleged commission of the said described offense in violation of section 169.121, or an ordinance in conformity therewith; or , (2) the person has been involved in a motor vehicle accident or collision resulting in property damage, personal injury, or death ; or (3) the person has refused to take the screening test provided for by section 169.121, subdivision 6; or (4) the screening test was administered and recorded an alcohol concentration of 0.10 or more . The test may also be administered when the officer has reason to believe that a person was driving or operating a motor vehicle in violation of section 160.121 or an ordinance in conformity therewith and the person has either refused to take the preliminary screening test provided for by section 160.121, subdivision 1; or such preliminary screening test was administered and recorded a blood alcohol level of .10 percent or more by weight of alcohol. Any person may decline to take a direct blood test and elect to take either a breath , or urine test, whichever is available , in lieu thereof, and either a breath or urine test shall be made available to the arrested person who makes such an election and offered . No action shall may be taken against the person for declining to take a direct blood test unless either a breath , or urine test was available and offered . At the time the peace officer requests such chemical test specimen, he shall inform the arrested person that his right to drive may be revoked or denied if he refuses to permit the test and that he has the right to have additional tests made by a person of his own choosing.

(b) At the time a chemical test specimen is requested, the person shall be informed:

(1) that if testing is refused, the person's right to drive will be revoked for a period of six months; and

(2) that if a test is taken and the results indicate that the person is under the influence of alcohol or a controlled substance, the person will be subject to criminal penalties and the person's right to drive may be revoked for a period of 90 days; and

(3) that the person has a right to consult with an attorney but that this right is limited to the extent that it cannot unreasonably delay administration of the test or the person will be deemed to have refused the test; and

(4) that after submitting to testing, the person has the right to have additional tests made by a person of his own choosing.

Subd. 2a. Notwithstanding subdivision 2, if there are reasonable and probable grounds to believe there is impairment by a con-

trolled substance which is not subject to testing by a blood or breath test, a urine test may be required even after a blood or breath test has been administered.

Subd. 3. [MANNER OF MAKING TEST; ADDITIONAL TESTS.] Only a physician, medical technician, registered nurse, medical technologist or laboratory assistant acting at the request of a peace officer may withdraw blood for the purpose of determining the alcoholic content therein *presence of alcohol or controlled substance*. This limitation *shall does not* apply to the taking of a breath; or urine specimen. The person tested *shall have has* the right to a physician, a medical technician, medical technologist, laboratory assistant or registered nurse *have a person* of his own choosing to administer a chemical test or tests in addition to any administered at the direction of a peace officer; provided, that the additional test specimen on behalf of *said the* person be is obtained at the place where *suek the* person is in custody, *after the test administered at the direction of a peace officer*, and at no expense to the state. *Said person shall have the right to immediately* communicate with his attorney, doctor or any other person in order to secure a physician, medical technician, medical technologist, laboratory assistant or registered nurse of his own choosing for the purpose of administering such additional test or tests; but this shall in no way delay the administering of the test at the direction of the peace officer. The failure or inability to obtain an additional test or tests by a person shall not preclude the admission in evidence of the test taken at the direction of a peace officer unless the additional test was prevented or denied by the peace officer. Upon the request of the person who is tested, full information concerning the test or tests taken at the direction of the peace officer shall be made available to him. The physician, medical technician, medical technologist, laboratory assistant or registered nurse drawing blood at the request of a peace officer for the purpose of determining alcoholic content *alcohol concentration* shall in no manner be liable in any civil or criminal action except for negligence in drawing the blood. The person administering such a test at the request and direction of such a peace officer shall be fully trained in the administration of such *the* tests pursuant to standards promulgated by rule by the commissioner of public safety.

Subd. 4. [REFUSAL, CONSENT TO PERMIT TEST; REVOCATION OF LICENSE.] If a person refuses to permit chemical testing, none shall be given, but the commissioner of public safety, upon the receipt of a certificate of the peace officer that he had reasonable and probable grounds to believe the person had been driving or operating a motor vehicle upon the public highways while under the influence of an alcoholic beverage, and that the person had refused to permit the test, shall revoke his license or permit to drive and any nonresident operating privilege for a period of six months. If the person is a resident without a license or permit to operate a motor vehicle in this state, the commissioner of public safety shall deny to the person the issuance of a license or permit for a period of six months after the date of the alleged violation, subject to review as hereinafter provided *peace officer*

shall report the refusal to the commissioner of public safety and the authority having responsibility for prosecution of misdemeanor offenses for the jurisdiction in which the acts occurred. If a person submits to chemical testing and the test results indicate an alcohol concentration of 0.10 or more, the results of the test shall be reported to the commissioner of public safety and to the authority having responsibility for prosecution of misdemeanor offenses for the jurisdiction in which the acts occurred.

Upon certification by the peace officer that there existed reasonable and probable grounds to believe the person had been driving, operating, or in physical control of a motor vehicle while under the influence of alcohol or a controlled substance and that the person refused to submit to chemical testing, the commissioner of public safety shall revoke the person's license or permit to drive, or his nonresident operating privilege, for a period of six months. Upon certification by the peace officer that there existed reasonable and probable grounds to believe the person had been driving, operating or in physical control of a motor vehicle while under the influence of alcohol or a controlled substance and that the person submitted to chemical testing and the test results indicate an alcohol concentration of 0.10 or more, the commissioner of public safety shall revoke the person's license or permit to drive, or his nonresident operating privilege, for a period of 90 days.

If the person is a resident without a license or permit to operate a motor vehicle in this state, the commissioner of public safety shall deny to the person the issuance of a license or permit for the same period after the date of the alleged violation as provided herein for revocation, subject to review as hereinafter provided.

Subd. 5. [NOTICE OF REVOCATION OR DETERMINATION TO DENY; REQUEST FOR HEARING.] No revocation under subdivision 4 shall be made is effective until the commissioner of public safety or a peace officer acting on his behalf notifies the person by certified or registered mail of the intention to revoke and of revocation and allows said the person a 20 30 day period after the date of receiving said notice to request of the commissioner of public safety, in writing, a hearing as herein provided. If no request is filed within the 20 30 day period the commissioner of public safety may then issue an order of revocation the order of revocation becomes effective. However If a request for hearing is filed, no a revocation hereunder shall be made is not effective until a final judicial determination resulting in an a decision adverse decision to said the person.

Subd. 5a. [PEACE OFFICER AGENT FOR NOTICE OF REVOCATION.] On behalf of the commissioner of public safety a peace officer offering a chemical test or directing the administration of a chemical test may serve immediate notice of intention to revoke and of revocation on a person who refuses to permit chemical testing or on a person who submits to a chemical test the results of which indicate an alcohol concentration of .10 or more. The officer shall take the license or permit of the driver, if any, and issue a temporary license effective only for 30 days. The peace

officer shall send the person's driver's license to the commissioner of public safety along with the certificate required by subdivision 4.

If the person requests a hearing within the 30 day period, the commissioner shall issue additional temporary licenses until the final determination of whether there shall be a revocation under this section.

Subd. 6. [HEARING.] *The A hearing under this section shall be before a municipal or county judge ; learned in the law , in the county where the alleged offense occurred, unless there is agreement that the hearing may be held in some other county. The hearing shall be recorded and proceed as in a criminal matter, without the right of trial by jury, and its scope shall cover the issues of whether the peace officer had reasonable and probable grounds to believe the person was driving or operating a motor vehicle while under the influence of an alcoholic beverage; whether the person was lawfully placed under arrest, if applicable; whether he refused to permit the test, and if he refused whether he had reasonable grounds for refusing to permit the test; and whether at the time of request for the test the peace officer informed the said person that his right to drive might be revoked or denied if he refused to permit the test and of his right to have additional tests made by a person of his own choosing. The municipal court shall order either that the revocation or denial be rescinded or sustained and refer such order to the commissioner of public safety for his further action. The hearing shall be to the court and may be conducted at the same time and in the same manner as hearings upon pre-trial motions in the criminal prosecution under section 169.121, if any. The hearing shall be recorded. The commissioner of public safety may appear through his own attorney or, by agreement with the jurisdiction involved, through the prosecuting authority for that jurisdiction.*

The scope of the hearing shall cover the issues of: (1) whether the peace officer had reasonable and probable grounds to believe the person was driving, operating, or in physical control of a motor vehicle while under the influence of alcohol or a controlled substance, and whether the person was lawfully placed under arrest for violation of section 169.121, or the person was involved in a motor vehicle accident or collision resulting in property damage, personal injury or death, or the person refused to take a screening test provided for by section 169.121, subdivision 6, or the screening test was administered and recorded an alcohol concentration of 0.10 or more; and (2) whether at the time of the request for the test the peace officer informed the person of his rights and the consequences of taking or refusing the test as required by subdivision 2; and (3) either (a) whether the person refused to permit the test, or (b) whether a test was taken and the test results indicated an alcohol concentration of 0.10 or more, and whether the testing method used was valid and reliable, and whether the test results were accurately evaluated.

It shall be an affirmative defense for the person to prove that his refusal to permit the test was based upon reasonable grounds.

The court shall order either that the revocation be rescinded or sustained and forward the order to the commissioner of public safety. If the revocation is sustained, the court shall also forward the person's driver's license to the commissioner of public safety for his further action if the license is not already in the commissioner's possession.

Subd. 7. [REVIEW BY DISTRICT COURT.] *If the revocation or denial is sustained, the person whose license or permit to drive, or nonresident operating privilege has been revoked or denied, may within 20 days after notice of the determination by the commissioner of public safety file a petition for a hearing of the matter in the district court in the county where the hearing pursuant to subdivision 6 was held unless there is agreement that the hearing may be held in some other county. The petition shall be filed with the clerk of the said court together with proof of service of a copy thereof on the commissioner of public safety. It shall be the duty of the court to set the matter for hearing on a day certain with reasonable notice thereof to the parties. The matter hearing shall be heard de novo with a right of trial by jury on the record and shall be conducted in the same manner provided in sections 487.39 and 484.63 for appeal of misdemeanor convictions.*

Subd. 8. [NOTICE OF ACTION TO OTHER STATES.] *When it has been finally determined that a nonresident's privilege to operate a motor vehicle in this state has been revoked or denied, the commissioner of public safety shall give information in writing of the action taken to the official in charge of traffic control or public safety of the state of the person's residence and of any state in which he has a license.*

Subd. 9. [LIMITED LICENSE.] *In any case in which a license has been revoked under this section, the commissioner may issue a limited license to the driver. The commissioner in issuing a limited license may impose the conditions and limitations which in his judgment are necessary to the interests of the public safety and welfare, including re-examination of the driver's qualifications, attendance at a driver improvement clinic, or attendance at counseling sessions. The license may be limited to the operation of particular vehicles and to particular classes and time of operation. The limited license issued by the commissioner shall clearly indicate the limitations imposed and the driver operating under a limited license shall have the license in his possession at all times when operating as a driver. In determining whether to issue a limited license, the commissioner shall consider the number and the seriousness or prior convictions and the entire driving record of the driver.*

Subd. 10. [TERMINATION OF REVOCATION PERIOD.] *If the commissioner receives notice of the driver's attendance at a driver improvement clinic, attendance at counseling sessions, or participation in treatment for an alcohol problem the commissioner may, 30 days prior to the time the revocation period would otherwise expire, terminate the revocation period. The commissioner shall not terminate the revocation period under this sub-*

division for a driver who has had a license revoked under section 169.121 or this section for another incident during the preceding three year period.

Sec. 4. Minnesota Statutes 1976, Section 169.124, is amended to read:

169.124 [ALCOHOL SAFETY PROGRAM.] Subdivision 1. The county board of every county having a population of more than 10,000 shall and the county board of every county having a population of less than 10,000 may establish an alcohol safety program designed to provide ~~presentence investigation alcohol problem assessment~~ and evaluation of persons convicted of one of the offenses enumerated in section 169.126, subdivision 1.

Subd. 2. The ~~presentence investigation alcohol problem assessment~~ shall be conducted under the direction of the court and by such persons or agencies as the court deems qualified to provide the ~~investigation and report alcohol problem assessment and assessment report~~ as described in section 169.126. The ~~presentence investigation alcohol problem assessment~~ may be conducted by court services probation officers having the required knowledge and skills in the assessment of alcohol problems, by alcoholism counselors, by persons conducting court sponsored driver improvement clinics if in the judgment of the court such persons have the required knowledge and skills in the assessment of alcohol problems, by appropriate staff members of public or private alcohol treatment programs and agencies or mental health clinics, by court approved volunteer workers such as members of Alcoholics Anonymous, or by such other qualified persons as the court may direct. The commissioner of public safety shall provide the courts with information and assistance in establishing ~~presentence investigation alcohol problem assessment~~ programs suited to the needs of the area served by each court. The commissioner shall consult with the alcohol and other drug abuse section in the department of public welfare and with local community mental health boards in providing such information and assistance to the courts. The commissioner of public safety shall promulgate rules and standards, consistent with this subdivision, for reimbursement under the provisions of subdivision 3. The promulgation of such rules and standards shall not be subject to chapter 15.

Subd. 3. The cost of ~~presentence investigation alcohol problem assessment~~ outlined in this section shall be borne by the county. Upon application by the county to the commissioner of public safety, the commissioner shall reimburse the county up to 50 percent of the cost of each ~~presentence investigation alcohol problem assessment~~ not to exceed \$25 in each case. Payments shall be made annually and prorated if insufficient funds are appropriated.

Sec. 5. Minnesota Statutes 1976, Section 169.125, is amended to read:

169.125 [COUNTY COOPERATION.] County boards may enter into an agreement to establish a regional ~~presentence in-~~

~~investigation alcohol problem assessment~~ alcohol safety program. County boards may contract with other counties and agencies for ~~presentence investigation alcohol problem assessment~~ services.

Sec. 6. Minnesota Statutes 1976, Section 169.126, is amended to read:

169.126 [ALCOHOL PROBLEM ASSESSMENT.] Subdivision

1. A ~~presentence investigation~~ *An alcohol problem assessment* shall be conducted in counties of more than 10,000 population and ~~a an assessment~~ report submitted to the court by the county agency administering the alcohol safety counseling program when:

(a) The defendant is convicted of an offense described in section 169.121; or

(b) The defendant is arrested for committing an offense described in section 169.121, is not convicted therefor, but is convicted of another offense arising out of the circumstances surrounding such arrest.

Subd. 2. The *assessment* report shall contain an evaluation of the convicted defendant concerning his prior traffic record, characteristics and history of alcohol problems, and amenability to rehabilitation through the alcohol safety program. The *assessment* report shall include a recommendation as to a treatment or rehabilitation program for the defendant. The *assessment* report shall be classified as private data on individuals as defined in section 15.162, subdivision 5a.

Subd. 3. The *assessment* report required by this section shall be prepared by a person knowledgeable in diagnosis of chemical dependency.

Subd. 4. The court before imposing sentence after conviction for one of the offenses described in subdivision 1 shall give due consideration to the agency's *assessment* report.

Subd. 5. Whenever a person is convicted of a second or subsequent offense described in subdivision 1 and the court is either provided with an appropriate treatment or rehabilitation recommendation from sources other than the ~~presentence investigation alcohol problem assessment~~ provided for in this section, or has sufficient knowledge both of the person's need for treatment and an appropriate treatment or rehabilitation plan, and the court finds that requiring a ~~presentence investigation alcohol problem assessment~~ would not substantially aid the court in sentencing, such a ~~presentence investigation alcohol problem assessment~~ need not be conducted.

Subd. 6. This section shall not apply to persons who are not residents of the state of Minnesota at the time of the offense and at the time of the ~~presentence investigation alcohol problem assessment~~.

Sec. 7. Minnesota Statutes 1976, Chapter 169, is amended by adding a section to read:

[169.1261] [REINSTATEMENT OF DRIVING PRIVILEGES; NOTICE.] *Upon expiration of any period of revocation under section 169.121 or section 169.123, the commissioner of public safety shall notify the person of the terms upon which his driving privileges can be reinstated, which terms are: (1) successful completion of a driving test and proof of compliance with any terms of alcohol treatment or counseling previously prescribed, if any; and (2) any other requirements imposed by the commissioner and applicable to that particular case. The commissioner shall also notify the person that if driving is resumed without reinstatement of driving privileges, the person will be subject to criminal penalties.*

Sec. 8. Minnesota Statutes 1976, Chapter 169, is amended by adding a section to read:

[169.128] [RULES OF THE COMMISSIONER OF PUBLIC SAFETY.] *The commissioner of public safety may promulgate rules to carry out the provisions of sections 169.121 and 169.123. The rules may include forms for notice of intention to revoke, which shall describe clearly the right to a hearing, the procedure for requesting a hearing, and the consequences of failure to request a hearing; forms for revocation and notice of reinstatement of driving privileges as provided in section 7; and forms for temporary licenses.*

Rules promulgated pursuant to this section are exempt from the procedure required by sections 15.0411 to 15.052.

Sec. 9. Minnesota Statutes 1976, Chapter 169, is amended by adding a section to read:

[169.129] [AGGRAVATED VIOLATIONS; PENALTY.] *Any person who drives, operates, or is in physical control of a motor vehicle, the operation of which requires a driver's license, within this state in violation of section 169.121 or an ordinance in conformity therewith before his driver's license or driver's privilege has been reinstated following its cancellation, suspension or revocation (1) because he drove, operated, or was in physical control of a motor vehicle while under the influence of alcohol or a controlled substance or while he had an alcohol concentration of 0.10 or more or (2) because he refused to take a test which determines the presence of alcohol or a controlled substance when requested to do so by a proper authority, is guilty of a gross misdemeanor. Jurisdiction over prosecutions under this section is in the district court.*

Sec. 10. Minnesota Statutes 1976, Section 171.30, Subdivision 1, is amended to read:

171.30 [LIMITED LICENSE.] Subdivision 1. *In any case where a person's license has been suspended under sections ~~169.123~~ or section 171.18 or revoked under sections ~~169.123~~ 169.121 or 171.17, if the driver's livelihood or attendance at a chemical dependency treatment or counseling program depends upon the use of his driver's license, the commissioner may at his own discretion and shall upon recommendation by the court excluding justices of*

the peace in which the driver was convicted, issue a limited license to such the driver. In cases involving a suspension or revocation of a driver's license under Minnesota Statutes 1969, Section 169.123, the commissioner shall not issue a limited license to anyone whose driver's license has been revoked under Minnesota Statutes 1969, Section 171.17, Clause (2), or under Minnesota Statutes 1969, Section 169.123, during the preceding three year period. The commissioner in issuing such a limited license may impose such conditions and limitations as in his judgment are necessary to the interests of the public safety and welfare including re-examination as to the driver's qualifications. Such The license may be limited to the operation of particular vehicles, to particular classes and times of operation and to particular conditions of traffic.

The limited license issued by the commissioner shall clearly indicate the limitations imposed and the driver operating under such the limited license shall have such the license in his possession at all times when operating as a driver.

In determining whether to issue a limited license, the commissioner shall consider the number and the seriousness of prior convictions and the entire driving record of the driver and shall consider the number of miles driven by such the driver annually.

Sec. 11. [REPEALER.] *Minnesota Statutes 1976, Sections 171.245 and 169.127, are repealed.*

Sec. 12. [EFFECTIVE DATE.] *Sections 4, 5, 6, and 8 of this act are effective the date following final enactment. Sections 1, 2, 3, 7, 9, 10 and 11 are effective September 1, 1978 and shall apply to all offenses committed on or after that date. Cases pending in the courts of this state on September 1, 1978 shall be subject to the procedures in effect prior to the effective date of this act for adjudication and appellate review of the relevant offenses."*

Further, delete the title and insert:

"A bill for an act relating to the operation of motor vehicles; defining the offense of driving while intoxicated; providing procedures for the testing of drivers who are under the influence of alcohol or controlled substances; providing procedures for the limitation, suspension, revocation and reinstatement of driving privileges; providing for alcohol problem assessments; providing penalties; amending Minnesota Statutes 1976, Sections 169.01, by adding a subdivision; 169.121; 169.123, as amended by Laws 1977, Chapter 82, Section 2; 169.124; 169.125; 169.126; 171.30, Subdivision 1; and Chapter 169, by adding sections; repealing Minnesota Statutes 1976, Sections 169.127; and 171.245."

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) John Bernhagen, Edward J. Gearty.

House Conferees: (Signed) John R. Arlandson, Glen A. Sherwood, Michael Sieben

Mr. Schaaf moved that the foregoing recommendations and Conference Committee Report on S. F. No. 804 be now adopted, and that the bill be repassed as amended by the Conference Committee.

The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S. F. No. 804: A bill for an act relating to highway traffic regulations; driving under the influence of alcohol or controlled substances; chemical tests and consent therefor; providing for immediate notice of revocation of a driver license or permit, retention of the license or permit by a court or peace officer and the substitution of temporary licenses under certain circumstances; providing for county court jurisdiction over prosecution for certain offenses; prescribing penalties; amending Minnesota Statutes 1976, Sections 169.121; 169.123; 169.127; and Chapter 169, by adding sections; repealing Minnesota Statutes 1976, Section 171.245.

Was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

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

Those who voted in the affirmative were:

Ashbach	Gunderson	Knutson	Olhoff	Spear
Bang	Hanson	Laufenburger	Olson	Staples
Benedict	Hughes	Lessard	Penny	Strand
Bernhagen	Humphrey	Lewis	Peterson	Tennessen
Brataas	Jensen	Luther	Renneke	Ueland, A.
Chenoweth	Johnson	McCutcheon	Schaaf	Ulland, J.
Dieterich	Keefe, J.	Menning	Schmitz	Vega
Engler	Kirchner	Merriam	Schrom	Willet
Frederick	Kleinbaum	Moe	Setzepfandt	
Gearty	Knaak	Nelson	Sillers	

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

MOTIONS AND RESOLUTIONS—CONTINUED

S. F. No. 2361 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S. F. NO. 2361

A bill for an act relating to peace officers; setting forth criteria for the use of deadly force by peace officers; amending Minnesota Statutes 1976, Sections 609.065; 629.33; and Chapter 609, by adding a section.

March 23, 1978

The Honorable Edward J. Gearty
President of the Senate

The Honorable Martin O. Sabo
Speaker of the House of Representatives

We, the undersigned conferees for S. F. No. 2361, report that

we have agreed upon the items in dispute and recommend as follows:

That the Senate accede to the House amendments and that S. F. No. 2361 be further amended as follows:

Page 2, line 16, delete "*conduct of law enforcement*" and insert "*line of duty*"

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) Bill McCutcheon, Marvin Hanson, Ron Sieloff

House Conferees: (Signed) Ken Nelson, John Arlandson, Paul McCarron

Mr. McCutcheon moved that the foregoing recommendations and Conference Committee Report on S. F. No. 2361 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S. F. No. 2361: A bill for an act relating to peace officers; setting forth criteria for the use of deadly force by peace officers; amending Minnesota Statutes 1976, Sections 609.065; 629.33; and Chapter 609, by adding a section.

Was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 46 and nays 7, as follows:

Those who voted in the affirmative were:

Ashbach	Hughes	Lewis	Schaaf	Tennessen
Bang	Humphrey	Luther	Schrom	Ueland, A.
Benedict	Johnson	McCutcheon	Setzepfandt	Ulland, J.
Chenoweth	Keefe, J.	Menning	Sieloff	Vega
Coleman	Kirchner	Moe	Sikorski	Wegener
Dieterich	Kleinbaum	Nelson	Sillers	Willet
Engler	Knaak	Nichols	Solon	
Gearty	Knoll	Olhoff	Spear	
Gunderson	Laufenburger	Penny	Staples	
Hanson	Lessard	Peterson	Stumpf	

Those who voted in the negative were:

Bernhagen	Knutson	Olson	Renneke	Schmitz
Jensen	Merriam			

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

MOTIONS AND RESOLUTIONS—CONTINUED

S. F. No. 793 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S. F. NO. 793

A bill for an act relating to public waters; specifying the procedure for creation of lake improvement districts; authorizing districts to undertake certain improvement projects and assess benefited property; altering the procedure for terminating districts; requiring districts to hold an annual meeting; clarifying local government authority over public waters; amending Minnesota Statutes 1976, Sections 105.484; 378.41, Subdivision 2; 378.42, Subdivisions 1, 2, and by adding a subdivision; 378.43, Subdivisions 1 and 3; 378.46; 378.47, Subdivisions 1 and 2; 378.51, Subdivisions 1 and 3; 378.52, Subdivision 1; 378.55; 378.56, Subdivisions 1 and 2; and 459.20; and Chapter 378, by adding a section; repealing Minnesota Statutes 1976, Sections 378.45; 378.53; and 378.54.

March 23, 1978

The Honorable Edward J. Gearty
President of the Senate

The Honorable Martin O. Sabo
Speaker of the House of Representatives

We, the undersigned conferees for S. F. No. 793, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S. F. No. 793 be amended as follows:

Page 2, line 1, delete "July" and insert "April"

Page 2, line 14, strike "July 1," delete "1978" and before the comma insert "April 1, 1979"

Page 6, line 4, restore "qualified" and before "resident" insert "voters and"

Page 6, line 18, restore "qualified voters" and after "voters" insert "and"

Page 7, lines 8 to 14, delete section 12

Page 9, line 5, delete "17" and insert "16"

Page 10, line 25, delete "17" and insert "16"

Page 11, line 8, delete "17" and insert "16"

Page 11, line 14, delete "17" and insert "16"

Page 11, line 16, delete "17" and insert "16"

Page 11, lines 20 and 21, delete section 19.

Renumber the sections.

Further, amend the title as follows:

Page 1, line 13, delete the second "Subdivisions" and insert "Subdivision"

Page 1, line 14, delete "and 3"

Page 1, line 16, delete everything after "section"

Page 1, line 17, delete everything before the period.

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) Peter P. Stumpf, Jerald C. Anderson, Robert G. Dunn

House Conferees: (Signed) Eugene T. Waldorf, Phyllis L. Kahn, Douglas W. Carlson

Mr. Stumpf moved that the foregoing recommendations and Conference Committee Report on S. F. No. 793 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S. F. No. 793: A bill for an act relating to public waters; specifying the procedure for creation of lake improvement districts; authorizing districts to undertake certain improvement projects and assess benefited property; altering the procedure for terminating districts; requiring districts to hold an annual meeting; clarifying local government authority over public waters; amending Minnesota Statutes 1976, Sections 105.484; 378.41, Subdivision 2; 378.42, Subdivisions 1, 2, and by adding a subdivision; 378.43, Subdivisions 1 and 3; 378.46; 378.47, Subdivisions 1 and 2; 378.51, Subdivisions 1 and 3; 378.52, Subdivision 1; 378.55; 378.56, Subdivisions 1 and 2; and 459.20; and Chapter 378, by adding a section; repealing Minnesota Statutes 1976, Sections 378.45; 378.53; and 378.54.

Was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 52 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Hanson	Luther	Purfeerst	Staples
Bang	Hughes	McCutcheon	Renneke	Stumpf
Benedict	Johnson	Menning	Schaaf	Tenhessen
Bernhagen	Keefe, J.	Merriam	Schmitz	Ueland, A.
Chenoweth	Kleinbaum	Moe	Schrom	Ulland, J.
Coleman	Knaak	Nelson	Setzepfandt	Vega
Dieterich	Knoll	Nichols	Sieloff	Wegener
Engler	Knutson	Olhoff	Sikorski	Willet
Frederick	Laufenburger	Olson	Sillers	
Gearty	Lessard	Penny	Solon	
Gunderson	Lewis	Peterson	Spear	

So the bill, as amended by the Conference Committee, was passed and its title was agreed to.

Without objection, the Senate reverted to the Order of Business of Messages From the House.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on

House File No. 2493 and repassed said bill in accordance with the report of the Committee, so adopted.

H. F. No. 2493: A bill for an act relating to public improvements; authorizing alteration, 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; appropriating money; amending Minnesota Statutes 1976, Section 16A.11, Subdivision 1.

House File No. 2493 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives
Transmitted March 23, 1978

CONFERENCE COMMITTEE REPORT ON H. F. NO. 2493

A bill for an act relating to public improvement; authorizing alteration, 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; appropriating money; amending Minnesota Statutes 1976, Section 16A.11, Subdivision 1.

March 22, 1978

The Honorable Martin O. Sabo
Speaker of the House of Representatives

The Honorable Edward J. Gearty
President of the Senate

We, the undersigned conferees for H. F. No. 2493, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H. F. No. 2493 be amended as follows:

Strike everything after the enacting clause and insert:

"Section 1. [PUBLIC LAND AND BUILDINGS; GENERAL AND OTHER FUND APPROPRIATIONS.] The sums set forth in the column designated "APPROPRIATIONS" are appropriated from the general fund, or any other fund designated, to the state agencies indicated to be expended in accordance with the provisions of this act.

SUMMARY

	General	Other
CAPITOL COMPLEX	\$ 2,030,755	\$ 102,485
NATURAL RESOURCES	184,770	536,120
MILITARY AFFAIRS	30,000	
EDUCATION	141,000	
COMMUNITY COLLEGES	1,100,000	
HISTORICAL SOCIETY	163,000	

	\$	\$
TRANSPORTATION		6,481,718
CORRECTIONS	654,000	
PUBLIC WELFARE	1,232,000	
BUILDING ASSISTANCE	50,000	
BUILDING ADMINISTRATION	350,000	
TOTAL	5,935,525	7,120,323
General	5,935,525	
State Airports	251,780	
Game and Fish	284,340	
Trunk Highway	6,584,203	
TOTAL—ALL FUNDS	\$13,055,848	

APPROPRIATIONS

\$ \$

Sec. 2. [CAPITOL COMPLEX.]

To the commissioner of administration
for the purposes specified in this section 2,133,240

- | | |
|--|---------|
| (a) Provide emergency lighting and up-grade fire alarm system in capitol complex except state office building, and extend paging to capitol building | 185,000 |
| (b) Replace centennial condenser | 43,600 |
| (c) Modify electrical and dewatering system in transportation building | 11,660 |
| (d) Install smoke detectors in capitol ventilation system | 39,000 |
| (e) Install veterans services humidifier | 11,555 |
| (f) Repair steam lines and replace expansion joints | 98,100 |
| (g) Install humidifier in transportation building | 15,825 |
| (h) Install hoist and rewire capitol rotunda chandelier | 27,500 |
| (i) General purpose remodeling | 125,000 |
| (j) Remodel department of revenue offices | 125,000 |
| (k) Replace exterior doors of historical society building | 16,000 |
| (l) Remodel and repair curator's office in historical building | 65,000 |

	\$	\$
(m) Refinish capitol's golden horses and install protective barrier	95,000	
(n) Repair reflecting pool in front of veterans service building	22,000	
(o) Improve cooling and ventilation of CRT room, 159 transportation building	9,000	
(p) Study elevator needs and plan repairs in transportation building	6,000	
(q) Surface parking lots	140,000	

The commissioner of administration is directed to surface parking lot Q and construct a base and surface for the lot northeast of the intersection of Charles avenue and Cedar street. All of lot Q shall be made available to the visiting public.

(r) Parking meters	8,000
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This appropriation is to reimburse the city of St. Paul for installing short-term parking meters for the visiting public along Wabasha avenue between Columbus and Central avenue.

(s) Energy agency remodeling	90,000
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The energy agency shall recover one-half the cost of the remodeling over a period of years from federal money and shall deposit the money in the general fund.

(t) Relocate department of agriculture and other agencies and pay additional rent	1,000,000
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Notwithstanding the provisions of Minnesota Statutes 1976, Section 16.02, Subdivision 10, the commissioner of administration may lease premises for the St. Paul office of the department of agriculture for a period not exceeding five years. At the option of the commissioner of administration, the lease may provide for an extension of an additional period of up to five years. Consideration shall be given to the availability of other space owned by the state, the University of Minnesota, and political subdivisions.

Project costs shown in this section are estimates only.

\$ \$

Of this appropriation \$102,485 is from the trunk highway fund for projects partial (a), (c), (g), (o) and (p).

Sec. 3. [NATURAL RESOURCES.]

To the commissioner of natural resources for the purposes specified in this section

720,890

- | | |
|--|---------|
| (a) Repair or replace Grand Rapids service center heating plant | 38,640 |
| (b) Replace heating system and improve insulation at Carlos Avery wildlife management area | 38,640 |
| (c) Remodel Hibbing mineral office to reduce heat loss and improve heating system | 70,000 |
| (d) Remodel old French River hatchery | 167,500 |
| (e) Erect storage building at Lac Qui Parle wildlife management area | 20,000 |
| (f) Replace sewer systems at Lanesboro hatchery and residence | 32,200 |
| (g) Replace roof at Grand Rapids service center | 12,880 |
| (h) Install security fences | 26,000 |
| (i) Connect Littlefork area forestry headquarters septic system to city sewer system | 28,750 |
| (j) Replace heating plant and improve heating system at General Andrews tree nursery | 34,500 |
| (k) Hibbing tanker base | 251,780 |

Project costs shown in this section are estimates only.

Should the department propose to install other than wood burning furnaces or combination furnaces at (a) and (j) above, the preliminary plans shall be submitted for review and comment to the chairmen of the house appropriations and senate finance committees.

Of this appropriation \$284,340 is from the game and fish fund for projects (b), (d), (e), (f) and (h).

\$251,780 is from the state airports fund for project (k).

\$

\$

Sec. 4. [MILITARY AFFAIRS.]

To the adjutant general to replace the National Guard Armory heating boiler at Madison, Minnesota

30,000

This appropriation shall not be expended until the commissioner of administration has explored with the Madison school district the feasibility of using a joint heating plant.

Sec. 5. [EDUCATION.]

To the state board of education or the commissioner of administration for the purposes specified in this section

141,000

(a) To the state board of education for payment of grants to provide for access to area vocational-technical institutes for handicapped persons

100,000

(b) To the commissioner of administration for ventilation and fire detection systems at Pollard hall at the Minnesota school for the deaf

41,000

Sec. 6. [COMMUNITY COLLEGES.]

To the chancellor of the community college system for road repair, landscaping, remodeling, and miscellaneous maintenance

1,100,000

Sec. 7. [MINNESOTA HISTORICAL SOCIETY.]

To the Minnesota historical society for the purposes specified in this section

163,000

(a) Construct exhibits

100,000

(b) Landscape and remodel main research center

13,000

(c) Plan Mississippi river interpretive center

50,000

Project costs shown in this section are estimates only.

Sec. 8. [TRANSPORTATION.]

Subdivision 1. To the commissioner of transportation for the purposes more specifically described in the following subdivisions of this section

6,481,718

	\$	\$
Subd. 2. Improve to meet OSHA requirements, reroofing, remodeling and miscellaneous repairs		616,940
Subd. 3. Provide storage sheds for chemical storage		47,000
Subd. 4. Acquire land and construct district headquarters and equipment storage buildings at the locations specified in this subdivision		5,749,778
(a) Willmar district headquarters	2,539,700	
(b) Dakota county including land	849,000	
(c) Waseca	163,500	
(d) Slayton	158,050	
(e) Milaca	158,050	
(f) Deer River	168,950	
(g) Zumbrota	158,050	
(h) Hawley	147,150	
(i) McGregor	207,100	
(j) Anoka	417,880	
(k) Wabasha	176,200	
(l) New building contingency	586,148	
(m) Energy conservation underground construction supplement	20,000	

Project costs shown in this subdivision are estimates only.

Subd. 5. Plan to meet space needs in headquarters, central shop, and metro area facilities	40,000
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Subd. 6. Remodel traffic management center for energy conservation	28,000
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The appropriations in this section are from the trunk highway fund.

Sec. 9. [CORRECTIONS.]

To the commissioner of administration for the purposes specified in this section	654,000
(a) Planning for the Minnesota State Prison renovation	235,000
(b) Security	419,000

\$

\$

Sec. 10. [PUBLIC WELFARE.]

To the commissioner of administration
for the purposes specified in this section

1,232,000

(a) Furniture

350,000

At least \$100,000 of this appropriation is
for the purchase of furniture from the
prison industries program in the depart-
ment of corrections.

(b) Carpeting

132,000

(c) Security hospital construction

500,000

By September 1, 1978, the commissioners
of public welfare and corrections shall
submit a joint report to the senate finance
committee and house appropriations com-
mittee recommending the most appro-
priate location for the sex offender pro-
gram.

This appropriation is available as a sup-
plement to the new security hospital
building appropriation if the report rec-
ommends locating the sex offender pro-
gram in the security hospital.

This appropriation is not available until
the legislative advisory commission has
reviewed the report and made its recom-
mendation thereon.

**(d) Demolition and new construction at
Anoka state hospital**

250,000

**Sec. 11. [STATE BUILDING AS-
SISTANCE.]**

To the commissioner of administration
for the state building assistance account

50,000

This appropriation may be spent for the
purpose of preparing preliminary plans or
other documentation that may be re-
quired for assistance in obtaining non-
state participation in state building pro-
grams.

**Sec. 12. [STATE BUILDING AD-
MINISTRATION.]**

For administration of the state building
program, including the employment of
personnel

350,000

\$

\$

The approved complement of the department of administration is increased by five persons.

Sec. 13. [REVIEW OF BUILDING PLANS.] *Neither the commissioner of administration nor the commissioner of transportation shall prepare final plans and specifications for any construction or major remodeling authorized by this act until the using agency or department has presented the program and schematic plans to the chairman of the house appropriations committee and the chairman of the senate finance committee and the chairmen have made their recommendations thereon. The recommendations shall be advisory only. Failure or refusal to make a recommendation promptly shall be deemed a negative recommendation.*

Sec. 14. [APPROPRIATIONS FOR CONSTRUCTION; TRANSFER.] *Upon the awarding of final contracts for the completion of any project for construction or other permanent improvement authorized by this act, the commissioner of administration and the commissioner of transportation may transfer any unencumbered balance in the project account to any other project enumerated in the same section of the appropriation act as the project about to be completed. The money transferred pursuant to this section is appropriated for the purposes for which transferred. Each commissioner shall report to the chairman of the house appropriations committee and the chairman of the senate finance committee on any transfer made pursuant to this section.*

Sec. 15. [APPROPRIATIONS FOR CONSTRUCTION; FEDERAL MONEY; EXCEEDING AUTHORIZED COST.] *The commissioner of administration, the commissioner of transportation and the director of the historical society shall apply for the maximum federal share for each capital improvement project for which money is appropriated by this act. Encumbrance or expenditure of money in excess of the project authorization shall be made only after the commissioner of administration, the commissioner of transportation and the director of the historical society have consulted with the chairman of the house appropriations committee and the chairman of the senate finance committee and the chairmen have made their recommendations thereon. The recommendations shall be advisory only. Failure or refusal to make a recommendation promptly shall be deemed a negative recommendation.*

Sec. 16. [METHODS OF ACQUISITION.] *Where money has been appropriated by this act to the commissioner of administration to acquire lands or sites for public buildings or real estate, acquisition may be by gift, purchase, or condemnation proceedings. Condemnation proceedings shall be pursuant to chapter 117.*

Sec. 17. Minnesota Statutes 1976, Section 16A.11, Subdivision 1, is amended to read:

16A.11 [BUDGET SUBMITTED TO LEGISLATURE.] *Subdivision 1. [WHEN TO BE SUBMITTED.] The governor shall,*

within three weeks after the first Monday in January in each odd-numbered year, submit the budget to the legislature. It shall include recommendations as to capital expenditure, *but these need not be submitted until April 15*. The budget shall include two parts.

Sec. 18. Minnesota Statutes, 1977 Supplement, Section 161.125, Subdivision 1, is amended to read:

161.125 [SOUND ABATEMENT ALONG HIGHWAYS.] Subdivision 1. The commissioner of transportation shall, in accordance with the department's program, implement sound abatement measures within or along the perimeter of any interstate or trunk highway within incorporated areas located within the metropolitan area or any municipality whenever the noise level attributable to vehicular traffic at the abutting residential property line is in excess of the federal noise standards. The commissioner shall utilize available federal matching funds *in available* for constructing and maintaining the ~~acoustical barriers~~ *sound abatement measures*.

Sec. 19. [ACOUSTICAL BARRIERS; MORATORIUM; STUDY.] Subdivision 1. *Until January 1, 1980, the commissioner of transportation shall not cause the construction of any additional acoustical barriers on or along already completed trunk or interstate highways except those acoustical barrier projects for which construction has been programmed by the commissioner as of March 1, 1978. Discussion and hearings with affected neighborhood groups and other aspects of planning for acoustical barriers in areas where state noise standards are exceeded may continue notwithstanding the moratorium.*

Subd. 2. *The commissioner of transportation shall evaluate all areas within the metropolitan area along the trunk highway and interstate system where state noise standards are exceeded, and shall report to the legislature by January 1, 1980, his recommendations concerning what type of sound abatement measure should be implemented for each area. The report shall also summarize the information gathered from a study of all acoustical barriers constructed in this state and shall include the following: the effect of acoustical barriers on noise levels at abutting property lines; the effect of acoustical barriers on the value of abutting real property; the opinions of abutting property owners on the effectiveness and desirability of acoustical barriers; and the advantages and disadvantages of using measures other than acoustical barriers for sound abatement.*

Sec. 20. [OLD GILLETTE HOSPITAL; DISPOSITION.] *The commissioner of administration may sell the state-owned property formerly known as the Gillette state hospital for crippled children in the manner which will realize the greatest return to the state. The sale, however, shall be made only after advertising the sale of the property and inviting sealed bids which shall be opened at the time specified and read aloud. The sale shall be made to the highest responsible bidder. The advertisement of the sale shall be made in local and national publications including but not limited*

to such publications as the Wall Street Journal and the New York Times. The state reserves the right to reject any and all bids.

Sec. 21. [EFFECTIVE DATE.] *This act is effective the day following final enactment."*

Further, delete the title and insert:

"A bill for an act relating to public improvements; authorizing alteration, repair, rehabilitation, equipping, and replacement of equipment of public buildings with certain conditions; postponing deadline for submission of capital budget; requiring moratorium and study of acoustical barriers; authorizing purchase and sale of public lands and buildings; appropriating money; amending Minnesota Statutes 1976, Section 16A.11, Subdivision 1; and Minnesota Statutes, 1977 Supplement, Section 161.125, Subdivision 1."

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Fred C. Norton, Donald Samuelson, Ray W. Faricy, Gordon O. Voss, Mary M. Forsythe

Senate Conferees: (Signed) Roger D. Moe, B. Robert Lewis, Hubert H. Humphrey III, Jack Kleinbaum, William G. Kirchner

Mr. Moe moved that the foregoing recommendations and Conference Committee Report on H. F. No. 2493 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H. F. No. 2493: A bill for an act relating to public improvements; authorizing alteration, repair, rehabilitation, equipping, and replacement of equipment of public buildings with certain conditions; postponing deadline for submission of capital budget; requiring moratorium and study of acoustical barriers; authorizing purchase and sale of public lands and buildings; appropriating money; amending Minnesota Statutes 1976, Section 16A.11, Subdivision 1; and Minnesota Statutes, 1977 Supplement, Section 161.125, Subdivision 1.

Was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 49 and nays 2, as follows:

Those who voted in the affirmative were:

Anderson	Gearty	Lewis	Peterson	Spear
Bang	Gunderson	Luther	Purfeerst	Staples
Benedict	Hanson	McCutcheon	Renneke	Stumpf
Bernhagen	Hughes	Menning	Schaaf	Tennessen
Brataas	Johnson	Merriam	Schmitz	Ueland, A.
Chenoweth	Keefe, J.	Moe	Schrom	Ulland, J.
Chmielewski	Kirchner	Nelson	Setzepfandt	Vega
Coleman	Kleinbaum	Olhoff	Sieloff	Wegener
Engler	Laufenburger	Olson	Sillers	Willet
Frederick	Lessard	Penny	Solon	

Messrs. Dieterich and Knoll voted in the negative.

So the bill, as amended by the Conference Committee, was re-passed and its title was agreed to.

MESSAGES FROM THE HOUSE—CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 2494 and re-passed said bill in accordance with the report of the Committee, so adopted.

H. F. No. 2494: 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 building bonds; limiting capital improvements at vocational-technical schools; appropriating money; amending Minnesota Statutes 1976, Sections 121.21, Subdivision 4a; 121.214, Subdivisions 1, 3, and by adding a subdivision; 124.564; repealing Minnesota Statutes, 1977 Supplement, Sections 16.015 and 16.016.

House File No. 2494 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives
Transmitted March 23, 1978

CONFERENCE COMMITTEE REPORT ON H. F. NO. 2494

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 building bonds; limiting capital improvements at vocational-technical schools; appropriating money; amending Minnesota Statutes 1976, Sections 121.21, Subdivision 4a; 121.214, Subdivisions 1, 3, and by adding a subdivision; 124.564; repealing Minnesota Statutes, 1977 Supplement, Sections 16.015 and 16.016.

March 22, 1978

The Honorable Martin O. Sabo
Speaker of the House of Representatives

The Honorable Edward J. Gearty
President of the Senate

We, the undersigned conferees for H. F. No. 2494, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H. F. No. 2494 be amended as follows:

Strike everything after the enacting clause and insert:

"Section 1. [PUBLIC LAND AND BUILDINGS; BUILDING

FUND APPROPRIATIONS.] The sums set forth in the column designated "APPROPRIATIONS" are appropriated from the state building fund, or any other fund designated, to the state agencies indicated, to be expended for the acquisition and betterment of public land and buildings and other public improvements of a capital nature, as more specifically described in the following sections of this act.

SUMMARY

STATE-WIDE	\$6,000,000
STATE PLANNING AGENCY	600,000
CAPITOL COMPLEX	4,215,700
DULUTH GOVERNMENT SERVICES CENTER	11,500,000
NATURAL RESOURCES	2,579,950
VETERANS HOME	984,100
EDUCATION	4,229,600
STATE UNIVERSITIES	10,188,100
COMMUNITY COLLEGES	9,362,966
UNIVERSITY OF MINNESOTA	30,233,162
MINNESOTA HISTORICAL SOCIETY	3,624,050
TRANSPORTATION	1,625,000
CORRECTIONS	4,641,209
PUBLIC WELFARE	16,850,000
STATE BUILDING CONTINGENT	200,000
BOND SALE EXPENSES	65,000
TOTAL—ALL FUNDS	\$106,898,837
Building Fund	102,774,237
Vocational-Technical Building Fund	4,124,600

Sec. 2. [STATE-WIDE.]

APPROPRIATIONS

\$ \$

Subdivision 1. To the commissioner of administration for the purposes more specifically described in the following subdivisions of this section

6,000,000

Subd. 2. Provide access for the handicapped

4,000,000

This appropriation shall not be expended for physical remodeling wherever accessibility for the handicapped may be provided by program changes including

rescheduling, relocation of classes, or other methods.

The commissioner of administration shall present a proposed work program to the chairmen of the house appropriations and senate finance committees and the council for the handicapped for review and comment prior to encumbering money for accessibility remodeling.

Subd. 3. Energy conservation

2,000,000

The appropriations in this subdivision are only for energy projects that have an estimated payback in energy savings in five years or less.

The commissioner of administration shall present a proposed work program to the chairmen of the house appropriations and senate finance committees for review and comment prior to encumbering money for energy conservation.

None of this appropriation shall be used for painting walls.

Sec. 3. [STATE PLANNING AGENCY.]

To the director of the state planning agency for local outdoor athletic court grants pursuant to section 4.36, subdivision 4

600,000

Sec. 4. [CAPITOL COMPLEX.]

To the commissioner of administration for the purposes specified in this section

4,215,700

(a) Replace surface of plaza on west side of capitol

165,600

(b) Replace roof on administration and centennial buildings

248,000

(c) Rebuild centennial east entrance to conserve energy and strengthen exterior glass wall

120,000

(d) Replace roof and sky light in the historical building

147,000

(e) Complete preliminary design and prepare working drawings for remodeling state office building including provision for additional hearing rooms for the legislature and state agencies.

The unencumbered balance of the appropriation made in Laws 1973, Chapter 778, Section 6, Subdivision 1, Clause (2) is reappropriated for this purpose.

(f) Plan for state office space needs

300,000

The commissioner of administration shall conduct studies including: A detailed analysis of the office space needs of the state of Minnesota for the next five years; the comparative economic advantages and disadvantages for the state of Minnesota of the construction, purchase or leasing of needed state office space; the economic impact of the construction, purchase or leasing of state office space in the city of St. Paul and Ramsey county; alternative locations and cost estimates for constructing a building or buildings of sufficient size to office the departments of agriculture, pollution control agency, natural resources and other state agencies presently leasing office space, and provision of adequate laboratory space, and sufficient parking facilities. The studies shall review and not duplicate previous studies and plans.

Upon completion of the studies, the commissioner of administration shall report to the chairmen of the senate finance and house appropriations committees his recommendations for meeting state office space needs and shall receive their recommendations thereon. Failure of the chairmen to make a recommendation promptly is deemed a negative recommendation. The commissioner of administration may proceed with preliminary plans after the chairmen have made their recommendations.

The locations of proposed buildings need not be in the capitol area as defined by Minnesota Statutes 1976, Section 15.50. If any of the buildings are to be constructed within the capitol area, the capitol area architectural and planning board shall proceed in accordance with Minnesota Statutes, Section 15.50. The costs of the competition shall be paid from this appropriation.

(g) Coal power plant plans

300,000

This appropriation is available if the city of St. Paul has not notified the state by December 31, 1978 of its intention to proceed with the development of a district heating plant from which the state can purchase steam heat.

- | | |
|---|---------|
| (h) Power plant chiller and extension of piping systems | 872,000 |
| (i) Rehabilitate the building at 117 University Avenue | 600,000 |

This appropriation is added to the appropriation in Laws 1976, Chapter 348, Section 2, Subdivision 3.

- | | |
|--|-----------|
| (j) Acquire land and rehabilitate the building at 1246 University avenue for the bureau of criminal apprehension | 1,109,000 |
|--|-----------|

This appropriation is added to the appropriation in Laws 1976, Chapter 348, Section 2, Subdivision 2. The paragraphs in that subdivision requiring 50 percent federal participation are cancelled.

- | | |
|---|---------|
| (k) Reforest and landscape capitol area | 354,100 |
|---|---------|

Areas landscaped shall include the following:

Rice-University-Park-Sherburne block
 Park-University-Capitol-Sherburne block
 Cass Gilbert Memorial Park
 South mall
 State office and DOT building areas

Sec. 5. [DULUTH; GOVERNMENT SERVICES CENTER.]

To the commissioner of administration for the purposes specified in this section

11,500,000

- | | |
|----------------------|---------|
| (a) Working drawings | 500,000 |
|----------------------|---------|

Prior to the preparation of working drawings, the commissioner of administration shall present the program and schematic plans to the chairman of the senate finance committee and the chairman of the house appropriations committee who shall make their recommendations thereon. The recommendations shall be advisory only. Failure or refusal to make a recom-

mendation promptly shall be deemed a negative recommendation.

(b) Acquire site and construct government services center in Duluth 11,000,000

No land shall be acquired nor construction contracts solicited until the commissioner of administration has consulted with the chairman of the senate finance committee and the chairman of the house appropriations committee and obtained their recommendations which shall be advisory only.

Construction shall not commence until the state has obtained long-term commitments from political subdivisions and, if possible, federal government agencies, as tenants of the building.

The commissioner of administration is authorized to design this structure so as to provide office space by lease to other governmental units. In addition, the commissioner may lease space to commercial tenants until such time as the space is needed for state agencies or other governmental units.

The commissioner of administration shall pay real estate taxes on that portion of the government services center which is leased to private users.

Sec. 6. [NATURAL RESOURCES.]

To the commissioner of administration for the purposes specified in this section

2,579,950

(a) Plan for Brainerd regional and area headquarters 35,000

Consideration shall be given to incorporation of the headquarters with a consolidated government service center.

(b) Construct and equip consolidated Grand Rapids regional and area headquarters 2,148,750

(c) Construct and equip Bemidji regional shop and warehouse 252,000

(d) Construct and equip drill core library at Hibbing mineral office 144,200

Sec. 7. [VETERANS HOME.]

To the commissioner of administration
for the veterans home

984,100

Projects and estimated costs are as follows:

(a) Replace boiler—state share	457,800
(b) Connect building 6 to new facility— with walkway—state share	52,500
(c) Convert to new voltage system— state share	64,750
(d) Renovate utility tunnels—state share	118,650
(e) Construct sewer lift station—state share	22,650
(f) Construct and equip nursing care facility at the veterans home—state share	267,750

This appropriation is added to the appropriation in Laws 1976, Chapter 348, Section 3, Subdivision 1.

Sec. 8. [EDUCATION.]

Subdivision 1. To the state board of education or the commissioner of administration for the purposes more specifically described in the following subdivisions of this section

4,229,600

Subd. 2. To the state board of education for post-secondary vocational-technical construction in the school districts listed in this subdivision

4,124,600

(a) School District No. 697, Eveleth 529,600

The total cost of the construction project shall not exceed \$974,000, whether paid from state, local, or federal funds.

(b) School District No. 578, Pine City 500,000

The total cost of the construction project shall not exceed \$1,000,000, whether paid from state, local, or federal funds.

This appropriation shall not be spent until the vocational-technical division of the department of education has investigated alternative forms of construction for the post-secondary vocational-technical construction project at School District No. 578 and has submitted the

program and schematic plans to the chairman of the house appropriations committee and the chairman of the senate finance committee and the chairmen have made their recommendations thereon. The recommendations shall be advisory only. Failure or refusal to make a recommendation promptly shall be deemed a negative recommendation.

(c) School District No. 564, Thief River Falls

1,160,000

This appropriation shall not be spent until School District No. 564 has submitted schematic plans to the chairman of the senate finance committee and the chairman of the house appropriations committee and the chairmen have made their recommendations thereon. The recommendations shall be advisory only. Failure or refusal to make a recommendation promptly shall be deemed a negative recommendation.

The total cost of the construction shall not exceed \$2,320,000, whether paid from state, local or federal funds.

(d) School District No. 181, Brainerd

350,000

This appropriation is for construction to house programs that are presently housed in rented space. Notwithstanding the provisions of Minnesota Statutes, Section 121.912, Subdivision 1, as amended, school district No. 181 may transfer an amount not to exceed \$350,000 to its capital expenditure fund for use as the local match for this construction. No state debt service aid shall ever be paid for this construction.

The total cost of the construction shall not exceed \$700,000, whether paid from state, local or federal funds.

(e) School District No. 535, Rochester

163,000

This appropriation is for construction to replace the rented garage space and to move and rebuild two greenhouses. Notwithstanding the provisions of any law to the contrary, the Rochester state hospital may give two greenhouses to school district No. 535. Notwithstanding the provisions of Minnesota Statutes,

Section 121.912, Subdivision 1, as amended, school district No. 535 may transfer an amount not to exceed \$163,000 to its capital expenditure fund for use as the local match for this construction. No state debt service aid shall ever be paid for this construction.

The total cost of the construction shall not exceed \$326,000, whether paid from state, local or federal funds.

(f) School District No. 742, St Cloud 180,000

Notwithstanding the provisions of Minnesota Statutes, Section 121.912, Subdivision 1, as amended, school district No. 742 may use an amount not to exceed \$180,000 from its capital expenditure fund for the local match for this construction. No state debt service aid shall ever be paid for this construction.

The total cost of the construction shall not exceed \$360,000, whether paid from state, local or federal funds.

(g) School District No. 583, Pipestone 560,000

The total cost of the construction project shall not exceed \$1,120,000, whether paid from state, local or federal funds.

(h) School District No. 891, Canby 232,000

This appropriation is for construction to house the diesel farm equipment and parts manager programs. Notwithstanding the provisions of Minnesota Statutes, Section 121.912, Subdivision 1, as amended, school district No. 891 may use an amount not to exceed \$200,000 from its capital expenditure fund for use as the local match for this construction. No state debt service aid shall ever be paid for this construction.

The total construction cost shall not exceed \$432,000, whether paid from state, local or federal funds.

(i) School District No. 347, Willmar 450,000

Notwithstanding the provisions of Minnesota Statutes, Section 121.912, Subdivision 1, as amended, school district No. 347 may transfer an amount not to exceed \$225,000 to its capital expenditure

fund for use as the local match for this construction. State debt service aid shall be paid only on the portion of this construction that is paid for with proceeds of local bonds.

The total cost of the construction project shall not exceed \$900,000, whether paid from state, local or federal funds.

(j) School District No. 256, Red Wing

The district may spend up to \$500,000 of money already available in its construction fund for the purpose of remodeling or constructing buildings on land donated to the district for an energy education center.

The appropriations in this subdivision are from the vocational-technical building fund.

Subd. 3. To the commissioner of administration for a fire and life safety system at the Minnesota school for the deaf

105,000

Sec. 9. [STATE UNIVERSITIES.]

Subdivision 1. To the commissioner of administration for the purposes more specifically described in the following subdivisions of this section

10,188,100

Subd. 2. Bemidji Campus

4,279,000

(a) Remodeling of Deputy and Sanford Halls

3,679,000

(b) Construct receiving/warehouse building

200,000

(c) Installation of Automated Control System

400,000

Subd. 3. Mankato Campus

4,057,100

(a) Completion of Highland Campus Consolidation

3,600,000

(b) Retrofit Trafton Center

207,100

(c) Plans for Conversion to Coal Plant

250,000

Subd. 4. Moorhead Campus

607,800

(a) Remodeling of Fine Arts Center

324,000

(b) Rehabilitation of Windows, Installation of Elevator and Ramps—Lohmen Hall

156,000

(c) Assessments	9,800	
(d) Plans for Conversion to Coal Plant	118,000	
Subd. 5. St. Cloud Campus		992,200
(a) Hallenbeck Addition—Planning Funds	213,000	
(b) Construct Maintenance Building	540,000	
(c) Audio Visual Retrieval System	170,000	
(d) Assessments	69,200	
Subd. 6. Winona Campus—Land Acquisition		143,000
Subd. 7. Systemwide—O.S.H.A. Requirements		109,000

Sec. 10. [COMMUNITY COLLEGES.]

To the commissioner of administration to plan, construct and equip facilities at the following community colleges

	9,362,966
(a) Inver Hills	2,311,000
(b) Metropolitan	3,454,250
(c) Vermillion	585,000
(d) Normandale	2,987,716
(e) Itasca	25,000

Sec. 11. [UNIVERSITY OF MINNESOTA.]

Subdivision 1. To the regents of the University of Minnesota for the purposes more specifically described in the following subdivisions of this section

Subd. 2. At the University of Minnesota Minneapolis Campus

(a) Preliminary Planning for Recycling East Bank Buildings	200,000
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To study and prepare a report outlining the necessary remodeling and space reassignment resulting in the most effective use of existing east bank buildings.

(b) Civil/Mineral Engineering	680,000
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This appropriation is for working drawings to build and equip a facility not to exceed a total cost of \$17,200,000.

(c) Studio Arts remodeling	300,000
(d) Music Building	410,000

This appropriation is for working drawings to build and equip a facility not to exceed a total cost of \$12,400,000.

The balance remaining in Laws 1973, Chapter 778, Section 7, Subdivision 2 (1) is reappropriated for this purpose.

(e) Remodeling of Folwell Hall	1,000,000
(f) Remodeling of Nicholson Hall	1,900,800
(g) Remodeling Cooke Hall and Norris Gymnasium	905,267
(h) Upgrade Utility Services and Remodel Chemistry Laboratories in Smith Hall	2,400,000
(i) Theater Arts Equipment-Rarig Center	225,000
(j) Primary Electric System—Health Sciences	300,564
(k) Remodeling of Variety Club Heart Hospital, 4th floor ventilation	194,238
(l) Pollution control and Heating Plant Expansion	3,673,000
(m) Primary Electric System	556,810
(n) Water Distribution System	202,554
(o) Sewer Separation	320,220
(p) Media equipment-Rarig Center	770,700
(q) Tree removal and replacement	100,000
(r) Upgrade for Physically Handicapped, University-wide	1,000,000
(s) O.S.H.A. Projects, University-wide	750,000
(t) Energy Retrofit, University-wide	1,500,000
(u) Energy Conservation, University-wide	200,000

The amounts in (i) and (p) are the final appropriations for the completion of those projects.

Subd. 3. At the University of Minnesota St. Paul Campus

3,083,358

- | | |
|---|---------|
| (a) Vocational Education—Working Drawings | 295,537 |
| (b) Agronomy and Plant Genetics, Soil Sciences and Plant Pathology Additions—Working Drawings | 574,103 |
| (c) Completion of McNeal Hall Remodeling | 170,000 |
| (d) Veterinary medicine—Phase II | |

Balances remaining in appropriations made in Laws 1973, Chapter 778, Section 7, Subdivision 1, Clause (2) are available to revise the existing plans for Phase II of veterinary medicine facilities to accommodate the needs of a class of 80 entering students. Results and recommendations shall be submitted to the legislature by January 15, 1979.

- | | |
|---|---------|
| (e) Maintenance and Central Storage Building | 540,000 |
| (f) Expansion of Intramural Sports Facilities | 300,000 |
| (g) Roadway project and fencing | 700,000 |
| (h) Improvement of Water Distribution | 169,884 |
| (i) St. Anthony Storm Sewer Assessment | 140,334 |
| (j) Plot land irrigation system | 185,000 |
| (k) Poultry research and teaching facility | 8,500 |

This appropriation is to study the location for and preliminary planning of a poultry research and teaching facility at a campus or station presently owned by the university of Minnesota. The appropriation is not available until an equal amount is provided by other than state resources. A report shall be submitted to the legislature by February 15, 1979.

Subd. 4. At the University of Minnesota Duluth Campus

1,343,715

- | | |
|--|---------|
| (a) Preliminary plans and working drawings for a Business and Economics Building | 50,000 |
| (b) Remodeling of social sciences, home economics, humanities, and Alworth hall | 218,292 |

(c) Coal Gasifier Plant—State share	643,223
(d) Utility improvements	232,200
(e) Water distribution system improvements	200,000

Subd. 5. At the University of Minnesota Morris Campus

Remodeling of Laboratory Facilities in Science Building	120,000
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Subd. 6. At the University of Minnesota Crookston Campus

(a) Construct and equip Food Services Building	2,600,000
(b) Physical Education Building and Outdoor Recreation areas—Working Drawings	142,763
(c) Road and campus improvements	300,000
(d) Heating plant improvements	270,000

Subd. 7. At the University of Minnesota Waseca Campus

(a) Construct and Equip Classroom Laboratory Building and addition to Special Purpose Laboratories	2,568,000
(b) Heating plant improvements	45,360
(c) Construct and equip Greenhouse	55,163
(d) Development of Outdoor Physical Education Facilities	69,000

Subd. 8. At the University of Minnesota Rosemount experiment station Feed mixing and handling facility

Subd. 9. At the University of Minnesota Northwest Experiment Station at Crookston

(a) Completion of Storm Water System	100,000
(b) Auditorium remodeling	35,000
(c) Field Lab building	59,340

Subd. 10. At the University of Minnesota North Central Experiment Station at Grand Rapids

(a) Construct silo with unloader and bunk feeder	27,000
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- (b) Construct and Equip Greenhouse 150,000

The appropriation made by Laws 1976, Chapter 348, Section 6, Subdivision 7 is canceled.

- (c) Construct chemical storage facility 15,000

Subd. 11. At the University of Minnesota West Central Experiment Station at Morris

62,000

- (a) Construct Machinery Storage Building 47,000

- (b) Construct Chemical Storage Facility 15,000

Subd. 12. At the University of Minnesota Southern Experiment Station at Waseca

165,000

- (a) Construct Shop and Farm Operations Center 150,000

- (b) Construct Chemical Storage Facility 15,000

Subd. 13. At the University of Minnesota Southwest experiment station at Lamberton

Resurface roadway and parking lot

16,782

Subd. 14. At the University of Minnesota Cloquet Forestry Center

105,599

- (a) Remodel Dining and Kitchen Facilities 50,000

- (b) Cabin addition and remodeling 15,000

- (c) Polishing Pond for Sewage Treatment 30,240

- (d) Sewer lines 10,359

Subd. 15. At the University of Minnesota Lake Itasca Forestry and Biological Station

78,848

- (a) Construct and equip Resident Manager's House and Office 40,000

- (b) Dining Hall and Kitchen rehabilitation 38,848

Subd. 16. At the University of Minnesota Cedar Creek Natural History Area

Remodeling of Bio-Electronics Laboratory

42,470

Subd. 17. At the University of Min-

nesota Horticultural Research Center—
Excelsior

87,000

(a) Chain Link Fence 65,000

(b) Construct Pesticides Storage Facility 22,000

Subd. 18. At the University of Minnesota Landscape Arboretum—Chaska

152,611

(a) Machine shed expansion 37,303

(b) Sewer Connection to Chanhassen's System 115,308

Subd. 19. At the University of Minnesota Hormel Institute at Austin

Construct and Equip Small Animal Holding Facility

541,000

Sec. 12. [MINNESOTA HISTORICAL SOCIETY.]

Subdivision 1. To the Minnesota historical society for the purposes more specifically described in the following subdivisions of this section

3,624,050

Subd. 2. Construct Fort Snelling Visitor Center

2,977,944

(a) Building design and construction supervision 207,764

(b) Special Excavation 234,350

(c) General Construction 1,697,130

(d) Mechanical/Electrical 464,200

(e) Site work 163,500

(f) Furnishings 211,000

Project costs shown in this subdivision are estimates only.

Federal money received pursuant to the Great River Road project formula shall be deposited in the general fund as reimbursement for this state expenditure.

Subd. 3. Restore and repair Split Rock Lighthouse

130,000

Subd. 4. Acquire and restore James J. Hill house

458,000

(a) Acquisition 250,000

Federal money received for this project shall be deposited in the general fund as reimbursement for this state expenditure.

- (b) Restoration, repairs, code compliance, and furnishings 208,000

Sec. 13. [TRANSPORTATION.]

To the commissioner of transportation to construct trunk highway rest area facilities as listed below

1,625,000

- Anchor Lake 575,000
Fisher (including information center) 250,000
Watonwan River 260,000
Little Rock 540,000

Project costs shown in this section are estimates only.

Sec. 14. [CORRECTIONS.]

To the commissioner of administration for the purposes specified in this section

4,641,209

- (a) Safety and Health 1,600,000
(b) Renovations 1,097,518
(c) Power plants 1,050,600

Prior to the expenditure of the \$1,000,000 appropriated for the Minnesota state prison for the power plant, the departments of administration and corrections shall submit to the chairman of the senate finance committee and the chairman of the house appropriations committee a plan for the expenditure of the appropriation.

- (d) General projects 893,091

Sec. 15. [PUBLIC WELFARE.]

To the commissioner of administration for the purposes specified in this section

16,850,000

- (a) Plan, construct and equip a 165 bed security hospital at St. Peter 8,700,000

This appropriation includes architect fees, contingencies, and site preparation.

- (b) Life safety 2,000,000
(c) Renovation 2,700,000
(d) Air conditioning 800,000

- (e) Power plants 1,650,000
(f) General projects 1,000,000

\$95,000 of this appropriation is for security remodeling for emotionally disturbed retarded residents at Minnesota Learning Center.

It is in the public interest to proceed with expedience to implement appropriations in this section at the state hospitals. Therefore, state officers in charge of construction are authorized to retain designing architects and engineers currently working on similar projects at these hospitals without complying with the provisions of Minnesota Statutes 1976, Chapter 16, insofar as they relate to selection of architects and engineers.

Sec. 16. [STATE BUILDING CONTINGENT.]

To the commissioner of administration for the state building contingent account

200,000

This appropriation may be spent for plans, studies and surveys, and for alterations, betterments, construction, reconstruction, improvements, or rehabilitation of any state owned building or structure, if it appears to the commissioner that the expenditure is necessary in the public interest in order to avoid injury or damage to persons or property and money has not been otherwise appropriated for these purposes. The commissioner, however, shall not authorize any expenditures from the account until he has first consulted with the chairman of the house appropriations committee and the chairman of the senate finance committee and has received their recommendations thereon. The recommendations shall be advisory only. Failure or refusal to make a recommendation promptly shall be deemed a negative recommendation.

Sec. 17. [BOND SALE EXPENSES.]

To the commissioner of finance for bond sale expenses pursuant to Minnesota Statutes, Sections 16A.64, Subdivision 4; and 121.215, Subdivision 3

65,000

Sec. 18. [BOND SALE; DEBT SERVICE.] *Subdivision 1. To provide the money appropriated in this act from the state building*

fund the commissioner of finance upon request of the governor shall sell and issue bonds of the state in the amount of \$102,775,000 in the manner and upon the terms prescribed by Minnesota Statutes, Sections 16A.63 to 16A.67 and by the Constitution, Article XI, Sections 4 to 7.

Subd. 2. To provide the money appropriated in this act from the vocational-technical building fund the commissioner of finance is authorized upon request of the state board of education to sell and issue vocational-technical building bonds of the state in the amount of \$4,125,000 in the manner and upon the terms prescribed in Minnesota Statutes, Section 121.215 and by the Constitution, Article XI, Sections 4 to 7. The proceeds of the bonds, except as provided in Minnesota Statutes, Section 121.215, Subdivision 5, are appropriated to the vocational-technical building fund for expenditure in accordance with this act.

Sec. 19. [CONSULTATION REQUIRED.] *No land shall be purchased and no buildings shall be purchased, constructed, or erected on lands of the university until the regents have first consulted with the chairman of the senate finance committee and the chairman of the house appropriations committee and obtained their recommendation, which shall be advisory only.*

Sec. 20. [REVIEW OF PLANS.] *Neither the commissioner of administration nor the board of regents of the university of Minnesota shall prepare final plans and specifications for any building authorized by this act until the using agency or department has presented the program and schematic plans to the chairman of the house appropriations committee and the chairman of the senate finance committee and the chairmen have made their recommendations thereon. The recommendations shall be advisory only. Failure or refusal to make a recommendation promptly shall be deemed a negative recommendation.*

Sec. 21. [APPROPRIATIONS FOR CONSTRUCTION; TRANSFER.] *Upon the awarding of final contracts for the completion of any project for construction or other permanent improvement authorized by this act, the commissioner as to appropriations made to him and the regents as to appropriations made to them may transfer any unencumbered balance in the project account to any other project enumerated in the same section of the appropriation act as the project about to be completed. The money transferred pursuant to this section is appropriated for the purposes for which transferred. The commissioner of administration and the regents of the university of Minnesota shall report to the chairman of the house appropriations committee and the chairman of the senate finance committee on any transfer made pursuant to this section.*

Sec. 22. [APPROPRIATIONS FOR CONSTRUCTION; FEDERAL MONEY; EXCEEDING AUTHORIZED COST.] *The commissioner of administration, the commissioner of transportation, the director of the historical society, and the board of regents of the university of Minnesota shall apply for the maximum federal share for each capital improvement project for which money is*

appropriated by this act. Encumbrance or expenditure of money in excess of the project authorization shall be made only after the commissioner of administration and the board of regents have consulted with the chairman of the house appropriations committee and the chairman of the senate finance committee and the chairmen have made their recommendations thereon. The recommendations shall be advisory only. Failure or refusal to make a recommendation promptly shall be deemed a negative recommendation.

Sec. 23. [METHODS OF ACQUISITION.] *Where money has been appropriated by this act to the commissioner of administration to acquire lands or sites for public buildings or real estate, acquisition may be by gift, purchase, or condemnation proceedings. Condemnation proceedings shall be pursuant to chapter 117.*

Sec. 24. Minnesota Statutes 1976, Section 121.21, Subdivision 4a, is amended to read:

Subd. 4a. *No district shall expend funds from any source for construction of, additions to or expansion of facilities of the acquisition or betterment of lands or buildings or for capital improvements needed for an area vocational-technical school without the approval of the state board and authorization by specific legislative act if the construction, addition that acquisition, betterment or expansion capital improvement requires the expenditure of an amount equal to or greater than \$150,000, or adds more than 1,000 gross square feet to a post-secondary vocational facility, or requires the issuance of school district bonds. No acquisition or betterment of lands or buildings or capital improvement which requires the expenditure of an amount less than \$150,000 but equal to or greater than \$75 per pupil unit in average daily membership in the school \$50,000 or which changes the perimeter walls of an existing facility shall be carried out without the approval of the state board. No construction, addition acquisition or betterment of lands or buildings or expansion capital improvement which requires the expenditure of less than \$75 per pupil unit in average daily membership in the school and \$50,000, which does not change a perimeter wall and which does not require the issuance of school district bonds, shall be carried out without the approval of the commissioner of education. As used in this subdivision, the terms "acquisition" and "betterment", as applied to lands and buildings, and "capital improvement" shall have the meanings ascribed to them in Minnesota Statutes, Chapter 475, but shall not include the acquisition or betterment of machinery or equipment.*

Sec. 25. Minnesota Statutes 1976, Section 121.214, Subdivision 1, is amended to read:

121.214 [VOCATIONAL-TECHNICAL BUILDING FUND.]
Subdivision 1. [PURPOSE.] *A vocational-technical building fund is created as a separate bookkeeping account in the general books of the state for the purpose of providing money appropriated to the state board of education for the acquisition and betterment of public land, buildings, and capital improvements needed for the*

area vocational-technical education program of the state, as established and annually revised in the state plan for the administration of vocational education, for which the state board of education is responsible under the provisions of sections 121.21, 123.361, 124.53 to 124.62, and other applicable laws.

Sec. 26. Minnesota Statutes 1976, Section 121.214, Subdivision 3, is amended to read:

Subd. 3. [DISBURSEMENTS.] Disbursements from the fund shall be made by the state treasurer upon the order of the commissioner of finance at the times and in the amounts requested by the state board of education in accordance with the applicable appropriation acts, for grants to school districts for the acquisition and betterment of land, buildings, and capital improvements for area vocational-technical institutes; . *These grants shall only be made upon the conditions and in accordance with all standards, and criteria, and priorities established in the state plan board rules and in the legislative act authorizing the specific post-secondary vocational facilities project.*

Sec. 27. Minnesota Statutes 1976, Section 121.214, is amended by adding a subdivision to read:

Subd. 4. *The purpose of this section is to change the method of funding post-secondary vocational facilities from post-secondary vocational debt service aid pursuant to section 124.564 to direct state appropriations from the vocational-technical building fund. Eighty-five percent of the cost of post-secondary vocational facilities authorized by specific legislative act after January 1, 1979 shall be financed through appropriations from the vocational-technical building fund and 15 percent of the cost of these facilities shall be financed by the school district operating the post-secondary vocational-technical school. No local bonds shall be authorized, issued, or sold, nor shall any election be held to authorize the issuance of bonds, if the proceeds will be used to finance a project for which specific legislative approval is required, until after that specific legislative approval has been given.*

Sec. 28. Minnesota Statutes 1976, Section 124.564, is amended to read:

124.564 [POST-SECONDARY VOCATIONAL DEBT SERVICE AID.] *Subdivision 1. The state board for vocational education shall provide, for credit against the debt service levy of qualifying districts, post-secondary vocational debt service aid equal to the state portion of debt service costs. The state portion of debt service costs shall equal the amount necessary to make payments due in each school year ending June 30 with respect to qualifying bonds issued to finance post-secondary vocational facilities and interest thereon, multiplied by the average of the district's non-resident reimbursement percentage pursuant to Minnesota Statutes 1974, Section 121.21, Subdivision 5, in fiscal years ended June 30, 1973, 1974, and 1975. For purposes of the computation of debt service aid, qualifying bonds shall include only:*

(a) *bonds issued prior to January 1, 1978;*

(b) bonds issued after January 1, 1978, to finance post-secondary vocational facilities projects which receive funds appropriated in section 8 of this act; and

(c) bonds issued at any time to refund the bonds described in (a) and (b). No district shall qualify for this post-secondary vocational debt service aid unless it has certified a levy in the total amount required by section 475.61, for collection in the calendar year in which the aid credit is to be given.

Subd. 2. There shall be no post-secondary vocational debt service aid for the state portion of debt service costs for bonds issued on or after January 1, 1978 to finance post-secondary vocational facilities and interest thereon, unless these bonds are issued to finance post-secondary vocational facilities projects which receive funds appropriated in section 8 of this act.

Subd. 3. Post-secondary vocational debt service aid shall be computed each year before October 1, commencing October 1, 1976, by the state board for vocational education with reference to each school district bond issue financing post-secondary vocational facilities as a the percentage specified in subdivision 1 of the sum of the bonds principal and interest to on qualifying bonds which will become due in the school year commencing on the following July 1.

Subd. 4. The amount for each school district shall be certified by the board on or before October 1 to the school district, and to the county auditors of all counties containing taxable property within the school district, and to the state commissioner of finance. This amount shall be deducted by the county auditors from the amount of the debt service levies of the school district to be assessed and extended against the taxable property therein for collection in the following year, and shall be payable instead from the appropriation made by this section.

Subd. 5. The commissioner of finance shall issue to the state treasurer warrants for payment of one-half of the amount to the treasurer of the school district on or before July 15 and one-half thereof on or before November 15 in the following year, in lieu of the distributions of this amount otherwise payable by county treasurers at these times under the provisions of section 276.11.

Subd. 6. The amount of \$7,500,000 necessary is annually appropriated from the general fund to the respective districts entitled to these payments, for expenditure in fiscal years beginning with fiscal year 1978. This appropriation shall not lapse until and unless otherwise provided by law, but shall be reduced by the amount of any funds specifically appropriated for the same purpose in any year from any state fund. In the event that the appropriation is revoked in any future year, the state board for vocational education shall certify this fact to each school district theretofore entitled to an aid credit under this subdivision.

Subd. 7. The appropriation heretofore made for post-secondary vocational debt service aid payable in the school year ending June

30, 1977, is confirmed, and the board shall continue to provide for the payment of debt service aids therefrom at or before the due dates of school district bonds and interest in that school year. In addition, the state board for vocational education shall pay to districts which expended cash balances to finance the construction of new post-secondary vocational facilities and which the state board prior to May 15, 1975 agreed to repay for these expenditures the amount of the repayment specified in the agreement. Funds received in repayment shall revert to the fund of origin in the district.

Sec. 29. [REPEALER.] *Minnesota Statutes, 1977 Supplement, Sections 16.015 and 16.016 are repealed.*

Sec. 30. [EFFECTIVE DATE.] *This act is effective the day following final enactment."*

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Fred C. Norton, Donald Samuelson, Ray W. Faricy, Gordon O. Voss, Mary M. Forsythe.

Senate Conferees: (Signed) Roger D. Moe, B. Robert Lewis, Hubert H. Humphrey III, Jack Kleinbaum, William G. Kirchner.

Mr. Moe moved that the foregoing recommendations and Conference Committee Report on H. F. No. 2494 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H. F. No. 2494: 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 building bonds; limiting capital improvements at vocational-technical schools; appropriating money; amending Minnesota Statutes 1976, Sections 121.21, Subdivision 4a; 121.214, Subdivisions 1, 3, and by adding a subdivision; 124.564; repealing Minnesota Statutes, 1977 Supplement, Sections 16.015 and 16.016.

Was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

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

Those who voted in the affirmative were:

Ashbach	Gearty	Knutson	Olhoft	Solon
Bang	Gunderson	Laufenburger	Olson	Spear
Benedict	Hanson	Lessard	Penny	Staples
Bernhagen	Hughes	Lewis	Peterson	Stokowski
Brataas	Humphrey	Luther	Purfeerst	Stumpf
Chenoweth	Jensen	McCutcheon	Renneke	Tennessen
Chmielewski	Johnson	Menning	Schmitz	Ueland, A.
Coleman	Kirchner	Merriam	Schrom	Ulland, J.
Dieterich	Kleinbaum	Moe	Setzepfandt	Vega
Engler	Knaak	Nelson	Sieloff	Wegener
Frederick	Knoll	Ogdahl	Sillers	Willet

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

SPECIAL ORDER

Pursuant to Rule 10, Mr. Coleman, Chairman of the Subcommittee on Bill Scheduling, designated H. F. No. 2236 a Special Order to be heard immediately.

H. F. No. 2236: A bill for an act relating to insurance; removing the limitation on the expense factor in setting workers' compensation insurance premiums; referring rates for expenses to the workers' compensation study commission; amending Minnesota Statutes, 1977 Supplement, Section 79.07; Laws 1977, Chapter 342, Section 27, Subdivision 1.

Mr. Tennessen moved that the amendment made to H. F. No. 2236 by the Committee on Rules and Administration in the report adopted March 20, 1978, pursuant to Rule 49, be stricken. The motion prevailed. So the amendment was stricken.

Mr. Sieloff moved to amend H. F. No. 2236 as follows:

Page 6, line 26, after "Sec. 5." insert "*Sections 1 to 3 of*"

Page 6, line 26, strike "*is*" and insert "*are*"

Page 6, line 27, after the period insert "*Section 4 of this act is effective August 1, 1979.*"

The motion prevailed. So the amendment was adopted.

Mr. Keefe, S. moved that H. F. No. 2236 be stricken from the Special Orders Calendar and re-referred to the Committee on Employment.

CALL OF THE SENATE

Mr. Tennessen imposed a call of the Senate for the balance of proceedings on H. F. No. 2236. The following Senators answered to their names:

Ashbach	Gearty	Knutson	Olhoft	Solon
Bang	Gunderson	Laufenburger	Olson	Spear
Benedict	Hanson	Lessard	Penny	Staples
Bernhagen	Hughes	Lewis	Peterson	Stokowski
Brataas	Jensen	Luther	Purfeerst	Stumpf
Chenoweth	Johnson	McCutcheon	Renneke	Tennessen
Chmielewski	Keefe, S.	Menning	Schmitz	Ueland, A.
Coleman	Kirchner	Merriam	Schrom	Ulland, J.
Dieterich	Kleinbaum	Moe	Setzepfandt	Vega
Engler	Knaak	Nelson	Sieloff	Wegener
Frederick	Knoll	Ogdahl	Sillers	Willet

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

The question was taken on the adoption of the Keefe, S. motion. The motion did not prevail.

Mr. Keefe, S. moved to amend H. F. No. 2236 as follows:

Page 2, lines 17 to 24, reinstate the stricken language

Page 2, line 22, strike "22.5" and insert "27"

Amend the title as follows:

Page 1, line 2, strike "removing" and insert "increasing"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 24 and nays 33, as follows:

Those who voted in the affirmative were:

Anderson	Hanson	Lessard	Peterson	Ulland, J.
Benedict	Hughes	Lewis	Setzepfandt	Vega
Chenoweth	Johnson	Luther	Spear	Wegener
Coleman	Keefe, J.	McCutcheon	Strand	Willet
Dieterich	Keefe, S.	Nelson	Stumpf	

Those who voted in the negative were:

Ashbach	Frederick	Knoll	Olhoff	Sillers
Bang	Gearty	Knutson	Olson	Solon
Bernhagen	Gunderson	Laufenburger	Penny	Staples
Brataas	Jensen	Menning	Renneke	Tennessen
Chmielewski	Kirchner	Merriam	Schmitz	Ueland, A.
Dunn	Kleinbaum	Moe	Schrom	
Engler	Knaak	Ogdahl	Sieloff	

The motion did not prevail. So the amendment was not adopted.

H. F. No. 2236 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 36 and nays 22, as follows:

Those who voted in the affirmative were:

Anderson	Engler	Knaak	Olhoff	Solon
Ashbach	Frederick	Knoll	Olson	Staples
Bang	Gearty	Knutson	Penny	Tennessen
Bernhagen	Gunderson	Laufenburger	Purfeerst	Ueland, A.
Brataas	Humphrey	Menning	Renneke	
Chmielewski	Jensen	Merriam	Schmitz	
Coleman	Kirchner	Moe	Schrom	
Dunn	Kleinbaum	Ogdahl	Sieloff	

Those who voted in the negative were:

Benedict	Johnson	Luther	Spear	Wegener
Chenoweth	Keefe, J.	Nelson	Strand	Willet
Dieterich	Keefe, S.	Peterson	Stumpf	
Hanson	Lessard	Setzepfandt	Ulland, J.	
Hughes	Lewis	Sillers	Vega	

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

RECESS

Mr. Coleman moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

APPOINTMENTS

Mr. Coleman from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

H. F. No. 2160: Messrs. Stokowski, Ogdahl, and Strand.

H. F. No. 933: Messrs. Stumpf, Dieterich, and Ashbach.

H. F. No. 1191: Mr. Dieterich to replace Mr. Davies.

Mr. Coleman moved that the foregoing appointments be approved. The motion prevailed.

RECESS

Mr. Coleman moved that the Senate do now recess until 8:30 o'clock p.m. The motion prevailed.

The hour of 8:30 o'clock p.m. having arrived, the President called the Senate to order.

CALL OF THE SENATE

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

Anderson	Frederick	Knutson	Penny	Solon
Ashbach	Gearty	Laufenburger	Peterson	Spear
Bang	Gunderson	Lewis	Purfeerst	Stokowski
Benedict	Hanson	McCutcheon	Renneke	Stumpf
Bernhagen	Hughes	Menning	Schaaf	Tennessen
Borden	Humphrey	Merriam	Schmitz	Ueland, A.
Chenoweth	Johnson	Moe	Schrom	Ulland, J.
Chmielewski	Keefe, J.	Nelson	Setzepfandt	Vega
Coleman	Kirchner	Nichols	Sieloff	Wegener
Dieterich	Kleinbaum	Ogdahl	Sikorski	Willet
Engler	Knaak	Olhoft	Sillers	

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

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.

Messrs. Wegener, Olson, Setzepfandt, Kleinbaum and Ulland, J. introduced—

S. F. No. 2410: A bill for an act relating to the national guard; creating a commission to study the national guard; appropriating money.

Referred to the Committee on General Legislation and Veterans Affairs.

Without objection, the Senate reverted to the Order of Business of Messages from the House.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 1943 and repassed said bill in accordance with the report of the Committee, so adopted.

S. F. No. 1943: A bill for an act relating to forests; regulating the maintenance of fires therein; amending Minnesota Statutes 1976, Sections 88.01, by adding a subdivision; 88.10; 88.16; 88.17; 88.22; 88.73; 88.75, Subdivision 1; 88.76; 88.77; and 88.78.

Senate File No. 1943 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives
Returned March 23, 1978

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 1707.

H. F. No. 1707: A bill for an act relating to automobile insurance; authorizing exclusion of certain high risk drivers from household coverages; requiring exclusion of such drivers from premium calculations under certain circumstances; prescribing penalties; amending Minnesota Statutes 1976, Chapter 65B, by adding a section.

And the House respectfully requests that a Conference Committee of three members be appointed thereon.

Cohen; Sieben, M. and Brinkman have been appointed as such committee on the part of the House.

House File No. 1707 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives
Transmitted March 22, 1978

Mr. Tennesen moved that the Senate accede to the request of

the House for a Conference Committee on H. F. No. 1707, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 338 and repassed said bill in accordance with the report of the Committee, so adopted.

H. F. No. 338: A bill for an act relating to commerce; providing an exclusive remedy for products liability actions; providing a statute of limitations; providing certain defenses; providing for the reporting of claims to the commissioner of insurance.

House File No. 338 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives
Transmitted March 23, 1978

CONFERENCE COMMITTEE REPORT ON H. F. NO. 338

A bill for an act relating to commerce; providing an exclusive remedy for products liability actions; providing a statute of limitations; providing certain defenses; providing for the reporting of claims to the commissioner of insurance.

March 23, 1978

The Honorable Martin O. Sabo
Speaker of the House of Representatives

The Honorable Edward J. Gearty
President of the Senate

We, the undersigned conferees for H. F. No. 338, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H. F. No. 338 be amended as follows:

Strike everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1976, Section 541.05, is amended to read:

541.05 [VARIOUS CASES, SIX YEARS.] *Subdivision 1.* Except where the uniform commercial code otherwise prescribes, the following actions shall be commenced within six years:

(1) Upon a contract or other obligation, express or implied, as to which no other limitation is expressly prescribed;

(2) Upon a liability created by statute, other than those arising upon a penalty of forfeiture or where a shorter period is provided by section 541.07;

(3) For a trespass upon real estate;

(4) For taking, detaining, or injuring personal property, including actions for the specific recovery thereof;

(5) For criminal conversation, or for any other injury to the person or rights of another, not arising on contract, and not hereinafter enumerated;

(6) For relief on the ground of fraud, in which case the cause of action shall not be deemed to have accrued until the discovery by the aggrieved party of the facts constituting the fraud;

(7) To enforce a trust or compel a trustee to account, where he has neglected to discharge the trust, or claims to have fully performed it, or has repudiated the trust relation;

(8) Against sureties upon the official bond of any public officer, whether of the state or of any county, town, school district, or a municipality therein; in which case the limitation shall not begin to run until the term of such officer for which the bond was given shall have expired;

(9) For damages caused by a dam, used for commercial purposes.

Subd. 2. Unless otherwise provided by law, any action based on the strict liability of the defendant and arising from the manufacture, sale, use or consumption of a product shall be commenced within four years.

Sec. 2. Minnesota Statutes 1976, Section 541.07, is amended to read:

541.07 [TWO YEAR LIMITATIONS.] Except where the uniform commercial code otherwise prescribes, the following actions shall be commenced within two years:

(1) For libel, slander, assault, battery, false imprisonment, or other tort, resulting in personal injury, and all actions against physicians, surgeons, dentists, hospitals, sanatoriums, for malpractice, error, mistake or failure to cure, whether based on contract or tort; provided a counter-claim may be pleaded as a defense to any action for services brought by a physician, surgeon, dentist, hospital or sanatorium, after the limitations herein described notwithstanding it is barred by the provisions of this chapter, if it was the property of the party pleading it at the time it became barred and was not barred at the time the claim sued on originated, but no judgment thereof except for costs can be rendered in favor of the party so pleading it;

(2) Upon a statute for a penalty or forfeiture;

(3) For damages caused by a dam, other than a dam used for commercial purposes; but as against one holding under the pre-emption or homestead laws, such limitations shall not begin to run until a patent has been issued for the land so damaged;

(4) Against a master for breach of an indenture of apprenticeship; the limitation, in such case, to run from the expiration of the term of service;

(5) For the recovery of wages or overtime or damages, fees or penalties accruing under any federal or state law respecting the payment of wages or overtime or damages, fees or penalties. (The term "wages" as used herein shall mean all remuneration for services or employment, including commissions and bonuses and the cash value of all remuneration in any medium other than cash, where the relationship of master and servant exists and the term "damages," as used herein, shall mean single, double, or treble damages, accorded by any statutory cause of action whatsoever and whether or not the relationship of master and servant exists);

(6) For damages caused by the establishment of a street or highway grade or a change in the originally established grade;

(7) For sales or use taxes imposed by the laws of any other state ;

(8) *Against the person who applies the pesticide for injury or damage to property resulting from the application, but not the manufacture or sale, of a pesticide .*

Sec. 3. Minnesota Statutes 1976, Chapter 544, is amended by adding a section to read:

[544.23] [AD DAMNUM: LIMITATION.] *In a pleading in a civil action which sets forth an unliquidated claim for relief, whether an original claim, cross-claim, or third-party claim, if a recovery of money is demanded in an amount less than \$50,000, the amount shall be stated. If a recovery of money in an amount greater than \$50,000 is demanded, the pleading shall state merely that recovery of reasonable damages in an amount greater than \$50,000 is sought.*

This section may be superseded by an amendment to the rules of civil procedure adopted after July 31, 1978.

Sec. 4. Minnesota Statutes 1976, Chapter 549, is amended by adding a section to read:

[549.20] [PUNITIVE DAMAGES.] *Subdivision 1. Punitive damages shall be allowed in civil actions only upon clear and convincing evidence that the acts of the defendant show a willful indifference to the rights or safety of others.*

Subd. 2. Punitive damages can properly be awarded against a master or principal because of an act done by an agent only if:

(a) the principal authorized the doing and the manner of the act, or

(b) *the agent was unfit and the principal was reckless in employing him, or*

(c) *the agent was employed in a managerial capacity and was acting in the scope of employment, or*

(d) *the principal or a managerial agent of the principal ratified or approved the act.*

Subd. 3. Any award of punitive damages shall be measured by those factors which justly bear upon the purpose of punitive damages, including the seriousness of hazard to the public arising from the defendant's misconduct, the profitability of the misconduct to the defendant, the duration of the misconduct and any concealment of it, the degree of the defendant's awareness of the hazard and of its excessiveness, the attitude and conduct of the defendant upon discovery of the misconduct, the number and level of employees involved in causing or concealing the misconduct, the financial condition of the defendant, and the total effect of other punishment likely to be imposed upon the defendant as a result of the misconduct, including compensatory and punitive damage awards to the plaintiff and other similarly situated persons, and the severity of any criminal penalty to which the defendant may be subject.

Sec. 5. Minnesota Statutes 1976, Chapter 549, is amended by adding a section to read:

[549.21] [REIMBURSEMENT FOR CERTAIN COSTS IN CIVIL ACTIONS.] *Upon motion of a party prevailing as to an issue, the court in its discretion may award to that party costs, disbursements, reasonable attorney fees and witness fees relating to the issue if the party or attorney against whom costs, disbursements, reasonable attorney and witness fees are charged acted in bad faith as to that issue. To qualify for an award under this section, a party shall give timely notice of intent to claim an award, which notice shall in any event be given prior to the resolution of the issue. An award under this section shall be without prejudice and as an alternative to any claim for sanctions that may be asserted under the rules of civil procedure.*

Sec. 6. Minnesota Statutes 1976, Section 604.01, Subdivision 1, is amended to read:

604.01 [COMPARATIVE FAULT; EFFECT.] Subdivision 1. [SCOPE OF APPLICATION.] *Contributory negligence fault shall not bar recovery in an action by any person or his legal representative to recover damages for negligence fault resulting in death or in injury to person or property, if such negligence the contributory fault was not as great as greater than the negligence of the person fault of the person against whom recovery is sought, but any damages allowed shall be diminished in the proportion to the amount of negligence fault attributable to the person recovering. The court may, and when requested by either any party shall, direct the jury to find separate special verdicts determining the amount of damages and the percentage of negligence fault attribu-*

table to each party; and the court shall then reduce the amount of such damages in proportion to the amount of negligence fault attributable to the person recovering. When there are two or more persons who are jointly liable, contributions to awards shall be in proportion to the percentage of negligence attributable to each, provided, however, that each shall remain jointly and severally liable for the whole award.

Sec. 7. Minnesota Statutes 1976, Section 604.01, is amended by adding a subdivision to read:

Subd. 1a. "Fault" includes acts or omissions that are in any measure negligent or reckless toward the person or property of the actor or others, or that subject a person to strict tort liability. The term also includes breach of warranty, unreasonable assumption of risk not constituting an express consent, misuse of a product and unreasonable failure to avoid an injury or to mitigate damages. Legal requirements of causal relation apply both to fault as the basis for liability and to contributory fault.

Sec. 8. Minnesota Statutes 1976, Chapter 604, is amended by adding a section to read:

[604.02] [APPORTIONMENT OF DAMAGES.] *Subdivision 1. When two or more persons are jointly liable, contributions to awards shall be in proportion to the percentage of fault attributable to each, except that each is jointly and severally liable for the whole award.*

Subd. 2. Upon motion made not later than one year after judgment is entered, the court shall determine whether all or part of a party's equitable share of the obligation is uncollectible from that party and shall reallocate any uncollectible amount among the other parties, including a claimant at fault, according to their respective percentages of fault. A party whose liability is reallocated is nonetheless subject to contribution and to any continuing liability to the claimant on the judgment.

Subd. 3. In the case of a claim arising from the manufacture, sale, use or consumption of a product, an amount uncollectible from any person in the chain of manufacture and distribution shall be reallocated among all other persons in the chain of manufacture and distribution but not among the claimant or others at fault who are not in the chain of manufacture or distribution of the product. Provided, however, that a person whose fault is less than that of a claimant is liable to the claimant only for that portion of the judgment which represents the percentage of fault attributable to him.

Sec. 9. Minnesota Statutes 1976, Chapter 604, is amended by adding a section to read:

[604.03] [USEFUL LIFE OF PRODUCT.] *Subdivision 1. In any action for the recovery of damages for personal injury, death or property damage arising out of the manufacture, sale, use or consumption of a product, it is a defense to a claim against a*

designer, manufacturer, distributor or seller of the product or a part thereof, that the injury was sustained following the expiration of the ordinary useful life of the product.

Subd. 2. The useful life of a product is not necessarily the life inherent in the product, but is the period during which with reasonable safety the product should be useful to the user. This period shall be determined by reference to the experience of users of similar products, taking into account present conditions and past developments, including but not limited to (1) wear and tear or deterioration from natural causes, (2) the progress of the art, economic changes, inventions and developments within the industry, (3) the climatic and other local conditions peculiar to the user, (4) the policy of the user and similar users as to repairs, renewals and replacements, (5) the useful life as stated by the designer, manufacturer, distributor, or seller of the product in brochures or pamphlets furnished with the product or in a notice attached to the product, and (6) any modification of the product by the user.

Sec. 10. Minnesota Statutes 1976, Chapter 604, is amended by adding a section to read:

[604.04] [NOTICE OF POSSIBLE CLAIM REQUIRED.]

Subdivision 1. The attorney for a person who intends to claim damage for or on account of personal injury, death or property damage arising out of the manufacture, sale, use or consumption of a product shall cause to be presented a notice of possible claim stating the time, place and circumstances of events giving rise to the claim and an estimate of compensation or other relief to be sought. This notice shall be given within six months of the date of entering into an attorney-client relation with the claimant in regard to the claim. Notice shall be given to all persons against whom the claim is likely to be made. Any person in the chain of manufacture and distribution shall promptly furnish to the claimant's attorney the names and addresses of all persons he knows to be in the chain of manufacture and distribution if requested to do so by the attorney at the time the notice is given. Failure to furnish this information shall subject the person to the liability provided for in subdivision 3.

Actual notice of sufficient facts to reasonably put a person against whom the claim is to be made or his insurer on notice of a possible claim satisfies the notice requirements of this section. Failure to state an estimate of the amount of compensation or other relief demanded does not invalidate the notice, but the claimant shall furnish full information regarding the nature and extent of the injuries and damages within 15 days after demand by a person to whom the notice was given or by his insurer.

Subd. 2. A claimant who delays entering into an attorney-client relation with the purpose of delaying unreasonably the notice required by subdivision 1 is subject to liability as provided in subdivision 3.

Subd. 3. Any person injured by the failure of a claimant or his attorney or of a person in the chain of manufacture and distribu-

tion to comply with the requirements of this section may recover damages, costs and reasonable attorney fees from a person who violated this section, but failure to give notice does not affect the validity of a claim against a party who did not receive notice.

Sec. 11. [EFFECTIVE DATE.] Sections 1, 2, 4, 5, 6, 7, 8, 9 and 10 are effective April 15, 1978, and apply to all causes of action arising on or after that date.

Section 3 is effective August 1, 1978."

Further, strike the title and insert:

"A bill for an act relating to civil actions; limiting ad damnum clauses; establishing rules for punitive damages; authorizing costs and attorney fees to be awarded when one party acts in bad faith; modifying rules of comparative fault, contribution, and joint liability; codifying a useful life defense; requiring notice of possible claims; establishing a statute of limitations for certain strict liability actions and for actions based on the application of pesticides; amending Minnesota Statutes 1976, Sections 541.05; 541.07; 604.01, Subdivision 1, and by adding a subdivision; and Chapters 544, by adding a section; 549, by adding sections; and 604, by adding sections."

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Thomas R. Berkelman, O. J. Heinitz, Harry Sieben, Jr.

Senate Conferees: (Signed) Robert J. Tennessen, Ron Sieloff, Allan H. Spear

Mr. Tennessen moved that the foregoing recommendations and Conference Committee Report on H. F. No. 338 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H. F. No. 338: A bill for an act relating to civil actions; limiting ad damnum clauses; establishing rules for punitive damages; authorizing costs and attorney fees to be awarded when one party acts in bad faith; modifying rules of comparative fault, contribution, and joint liability; codifying a useful life defense; requiring notice of possible claims; establishing a statute of limitations for certain strict liability actions and for actions based on the application of pesticides; amending Minnesota Statutes 1976, Sections 541.05; 541.07; 604.01, Subdivision 1, and by adding a subdivision; and Chapters 544, by adding a section; 549, by adding sections; and 604, by adding sections.

Was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 52 and nays 0, as follows:

Those who voted in the affirmative were:

Bang	Gunderson	Laufenburger	Peterson	Strand
Benedict	Hanson	Lessard	Purfeerst	Stampf
Bernhagen	Hughes	Luther	Renneke	Tennessen
Brataas	Humphrey	McCutcheon	Schaaf	Ueland, A.
Chenoweth	Johnson	Menning	Schmitz	Ulland, J.
Chmielewski	Keefe, J.	Merriam	Schrom	Vega
Coleman	Kirchner	Nelson	Setzepfandt	Wegener
Dieterich	Kleinbaum	Nichols	Sieloff	Willet
Engler	Knaak	Ogdahl	Sikorski	
Frederick	Knoll	Olhoff	Sillers	
Gearty	Knutson	Penny	Spear	

So the bill, as amended by the Conference Committee, was re-passed and its title was agreed to.

MESSAGES FROM THE HOUSE—CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 1734 and re-passed said bill in accordance with the report of the Committee, so adopted.

H. F. No. 1734: A bill for an act relating to courts; permitting referees and judicial officers in certain courts; restricting appointment of referees and judicial officers; requiring the supreme court to submit recommendations; repealing Minnesota Statutes, 1977 Supplement, Sections 484.70 and 487.08.

House File No. 1734 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives
Transmitted March 23, 1978

CONFERENCE COMMITTEE REPORT ON H. F. NO. 1734

A bill for an act relating to courts; permitting referees and judicial officers in certain courts; restricting appointment of referees and judicial officers; requiring the supreme court to submit recommendation; repealing Minnesota Statutes, 1977 Supplement, Sections 484.70 and 487.08.

March 22, 1978

The Honorable Martin O. Sabo
Speaker of the House of Representatives

The Honorable Edward J. Gearty
President of the Senate

We, the undersigned conferees for H. F. No. 1734, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and H. F. No. 1734 be amended as follows:

Strike everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1976, Section 484.545, Subdivision 1, is amended to read:

484.545 [LAW CLERKS.] Subdivision 1. The district judges regularly assigned to hold court in each judicial district except for the second and fourth judicial districts may by orders filed with the clerk of court and county auditor of each county in the district appoint a competent law clerk for every ~~three~~ *two* district court judges and ~~additional fraction of three judges of the judicial district.~~ *In addition, the Dakota county board of commissioners may authorize the district judges regularly assigned to hold court in the first judicial district to appoint three competent law clerks, whose salaries shall be paid by the county.*

Sec. 2. Minnesota Statutes, 1977 Supplement, Section 484.70, is amended to read:

484.70 [REFEREE POSITIONS ABOLISHED.] ~~Notwithstanding any other provision of law, the position of referee in the county municipal and district courts of the state is hereby abolished.~~ *Subdivision 1. Persons holding the office of referee full time on June 30, 1977, in the second, fourth and sixth judicial districts may continue to serve at the pleasure of the chief judge of the district under the terms and conditions of their appointment. All referees are subject to the administrative authority and assignment power of the chief judge of the district as provided in section 484.69, subdivision 3, and are not limited to assignment to family or juvenile court.*

Subd. 2. No referee sitting in family court may hear any final trial involving a contested case if either party or his attorney objects in writing to the assignment of a referee to hear the matter. The court may, by rule, specify the time within which the objection must be filed.

Subd. 3. No referee sitting in juvenile court may hear a contested trial on any petition, or any motion made pursuant to section 260.125.

Sec. 3. Minnesota Statutes, 1977 Supplement, Section 487.08, is amended to read:

487.08 [JUDICIAL OFFICERS; OFFICE ABOLISHED.] Subdivision 1. The office of judicial officer is abolished.

Subd. 2. Persons holding the office of judicial officer full time or part time on January 1, 1978, in St. Louis county and full time on January 1, 1978, in Steele county may continue to serve at the pleasure of the chief judge of the district under the terms and conditions of their appointment. One full time judicial officer may be appointed in Carlton county.

Subd. 3. The persons holding the office of judicial officer in Nobles and Rock, Brown, Nicollet, Morrison, Goodhue, Wabasha, Scott, and Polk counties on January 1, 1978, may continue to

serve at the pleasure of the chief judge of the district under the terms and conditions of their appointments.

Subd. 4. The person holding the office of judicial officer in Beltrami county on January 1, 1978 may continue to serve at the pleasure of the chief judge of the district under the terms and conditions of his appointment until December 31, 1981, or until a judge learned in the law assumes office in the Clearwater county court, whichever occurs sooner. The person holding the office of judicial officer in LeSueur county on January 1, 1978, may continue to serve at the pleasure of the chief judge of the district under the terms and conditions of his appointment until May 31, 1983, or until a judge learned in the law assumes office in the LeSueur county court, whichever occurs sooner.

Subd. 5. All judicial officers are subject to the administrative authority and assignment power of the chief judge of the district as provided in section 484.69, subdivision 3. They shall be learned in the law, and shall hear and try matters as assigned to them by the chief judge. Their salary shall be fixed by the chief judge, with the approval of the county board or boards of the counties in which they hold office, and shall be paid by the county or counties.

Sec. 4. Minnesota Statutes 1976, Section 508.13, is amended to read:

508.13 [REFERENCES TO EXAMINERS; POWERS; REPORTS.] Immediately after the filing of the abstract of title, the court shall enter an order referring the application to an examiner of titles, who shall proceed to examine into the title of the land described in the application, and into the truth of all matters set forth therein. He shall ascertain whether or not the land is occupied, and, if occupied, he shall ascertain the nature thereof, and by what right the occupation is held. He shall also ascertain whether or not any judgments exist which may be a lien upon the land. He shall search all public records, and fully investigate all facts pertaining to the title which may be brought to his notice, and shall file in the case a full report thereof, together with his opinion upon the title. The court shall not be bound by any report of the examiner of titles, but may require further or other proof. An examiner of titles shall have full power to administer oaths and examine witnesses concerning any matter involved in his investigation of titles. In such matters he shall possess the same authority as is vested by law in referees appointed by the district court. When, in the opinion of the examiner, the state has any interest in, or lien upon, the land, he shall state the nature and character thereof in his report, and in such cases, the state shall be joined as a party, and named in the summons as a party thereto, in order that its interest, estate or lien may be defined and preserved. The clerk shall give notice to the applicant of the filing of such report. If the report of the examiner is adverse to the applicant, he shall have a reasonable time in which to proceed further, or to withdraw his application. This election shall be made in writing and filed with the clerk. Examiners shall, upon the request of the registrar, advise him upon any act or duty pertaining to the conduct of his

office, or prepare the form of any memorial to be made or entered by the registrar.

In all cases where under the provisions of this chapter application is made to the court for any order or decree, the court may refer the matter to the examiner of titles for hearing and report in like manner as herein provided for the reference of the initial application for registration.

Sec. 5. Minnesota Statutes 1976, Section 508.20, is amended to read:

508.20 [TRIAL; REFERENCE.] When an answer is filed, the case shall be tried by the court in like manner as an ordinary civil action. The court may refer the case, or any part thereof, to one of the examiners, as referee, to hear the parties and their evidence, and make report thereon to the court. Any report of an examiner shall have the same weight as that of a referee appointed by the district court. After the filing of such the report, the court may order such other or further hearing of the cause before the court, or before the examiner, and may require such other or further proof by any of the parties to the cause as it shall deem proper.

Sec. 6. [VACANCIES.] *No vacancy in the office of referee or judicial officer shall be filled, nor new office created, except as specified in section 487.08, subdivision 2. If the chief justice determines, after investigation by the state court administrator, that the judicial personnel of the district are working at maximum capacity and that the work of the district cannot be accomplished with present judicial personnel, including those temporarily transferred from other judicial districts pursuant to section 2.724, a temporary referee or judicial officer may be appointed by the chief judge of the district for a period that shall terminate no later than July 31, 1981.*

Sec. 7. [JUVENILE COURT; HENNEPIN AND RAMSEY COUNTIES.] *Subdivision 1. In Hennepin and Ramsey counties, the district court is the juvenile court.*

Subd. 2. In each county, the chief judge of the district shall designate one or more judges to hear cases arising under sections 260.011 to 260.301.

Subd. 3. The chief judge shall not designate any judge to hear cases arising under sections 260.011 to 260.301 as his principal or exclusive assignment for more than three years out of any six year period.

Subd. 4. The incumbent "District Court Judge, Juvenile Court Division" in Hennepin county is a judge of district court subject to the administrative authority and assignment power of the chief judge of the district as provided in section 484.69, subdivision 3.

Sec. 8. [SUPREME COURT; LEGISLATIVE REPORT.] *The supreme court, or an agency designated by it, shall study and review the following issues, and report its findings and recommendations to the legislature on or before October 1, 1980; whether the office of referee or judicial officer should be retained or*

abolished; whether, if it is recommended that referees and judicial officers be retained, their powers and duties should be modified; whether, in the event that some or all of the existing offices of referee and judicial officer are recommended for abolition, new judgeships should be created and in which districts; whether a consolidated family division should be created in the district or county municipal court of Hennepin and Ramsey counties, and what categories of cases should be assigned thereto; and any other issues the court deems relevant to the function of the office of referee and judicial officer in the state court system.

Sec. 9. [REPEALER.] *Minnesota Statutes 1976, Section 260.021, Subdivisions 1, 2, and 3, are repealed.*

Sec. 10. [EFFECTIVE DATE.] *This act is effective July 31, 1978."*

Further, strike the title and insert:

"A bill for an act relating to court referees; permitting the appointment of law clerks; providing for certain referees and judicial officers; prescribing and limiting their duties; providing for the rotation of the duties of juvenile court judge in Hennepin and Ramsey counties; requiring the supreme court to submit recommendations; amending Minnesota Statutes 1976, Sections 484.545, Subdivision 1; 508.13; and 508.20; and Minnesota Statutes, 1977 Supplement, Sections 484.70; and 487.08; repealing Minnesota Statutes 1976, Section 260.021, Subdivision 1, 2, and 3."

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Fred C. Norton, Harry Sieben, Linda L. Berglin

Senate Conferees: (Signed) Robert J. Tennessen, Allan H. Spear, Emily A. Staples

Mr. Tennessen moved that the foregoing recommendations and Conference Committee Report on H. F. No. 1734 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H. F. No. 1734: A bill for an act relating to court referees; permitting the appointment of law clerks; providing for certain referees and judicial officers; prescribing and limiting their duties; providing for the rotation of the duties of juvenile court judge in Hennepin and Ramsey counties; requiring the supreme court to submit recommendations; amending Minnesota Statutes 1976, Sections 484.545, Subdivision 1; 508.13; and 508.20; and Minnesota Statutes, 1977 Supplement, Sections 484.70; and 487.08; repealing Minnesota Statutes 1976, Section 260.021, Subdivisions 1, 2, and 3.

Was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 53 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Gearty	Knutson	Penny	Spear
Bang	Gunderson	Laufenburger	Peterson	Strand
Benedict	Hanson	Lessard	Purfeerst	Stumpf
Bernhagen	Hughes	Luther	Renneke	Tennesen
Brataas	Humphrey	McCutcheon	Schaaf	Ueland, A.
Chenoweth	Johnson	Menning	Schmitz	Ulland, J.
Chmielewski	Keefe, J.	Merriam	Schrom	Vega
Coleman	Kirchner	Nelson	Setzepfandt	Wegener
Dieterich	Kleinbaum	Nichols	Sieloff	Willet
Engler	Knaak	Ogdahl	Sillers	
Frederick	Knoll	Olhoff	Solon	

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

MESSAGES FROM THE HOUSE—CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 649 and repassed said bill in accordance with the report of the Committee, so adopted.

H. F. No. 649: A bill for an act relating to intoxicating liquor; authorizing certain counties to issue off-sale liquor licenses in unorganized areas of the county; amending Minnesota Statutes 1976, Section 340.11, by adding a subdivision.

House File No. 649 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives
Transmitted March 23, 1978

CONFERENCE COMMITTEE REPORT ON H. F. NO. 649

A bill for an act relating to intoxicating liquor; authorizing certain counties to issue off-sale liquor licenses in unorganized areas of the county; amending Minnesota Statutes 1976, Section 340.11, by adding a subdivision.

March 22, 1978

The Honorable Martin O. Sabo
Speaker of the House of Representatives

The Honorable Edward J. Gearty
President of the Senate

We, the undersigned conferees for H. F. No. 649, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments.

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Peter Fugina, Mike Jaros, Ray O. Pleasant

Senate Conferees: (Signed) Sam G. Solon, Howard D. Olson, Conrad M. Vega

Mr. Solon moved that the foregoing recommendations and Conference Committee Report on H. F. No. 649 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H. F. No. 649: A bill for an act relating to intoxicating liquor; authorizing certain counties to issue off-sale liquor licenses in unorganized areas of the county; amending Minnesota Statutes 1976, Section 340.11, by adding a subdivision.

Was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 45 and nays 7, as follows:

Those who voted in the affirmative were:

Ashbach	Gearty	Laufenburger	Purfeerst	Staples
Bang	Hanson	Lessard	Schaaf	Stokowski
Benedict	Hughes	Luther	Schmitz	Stumpf
Brataas	Humphrey	Menning	Schrom	Tennessee
Chenoweth	Johnson	Merriam	Setzepfandt	Ueland, A.
Chmielewski	Keefe, J.	Nelson	Sieloff	Ulland, J.
Coleman	Kleinbaum	Nichols	Sillers	Vega
Dieterich	Knaak	Ogdahl	Solon	Wegener
Engler	Knoll	Penny	Spear	Willet

Those who voted in the negative were:

Frederick	Knutson	Olhoft	Peterson	Strand
Gunderson	McCutcheon			

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

MESSAGES FROM THE HOUSE—CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 1781 and repassed said bill in accordance with the report of the Committee, so adopted.

H. F. No. 1781: A bill for an act relating to the city of Maplewood; authorizing the payment of lump sum service pensions by the Maplewood firefighters relief association.

House File No. 1781 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives
Transmitted March 23, 1978

CONFERENCE COMMITTEE REPORT ON H. F. NO. 1781

A bill for an act relating to the city of Maplewood; authorizing the payment of lump sum service pensions by the Maplewood fire-fighters relief association.

March 22, 1978

The Honorable Martin O. Sabo
Speaker of the House of Representatives

The Honorable Edward J. Gearty
President of the Senate

We, the undersigned conferees for H. F. No. 1781, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments.

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Richard Kostohryz, Howard Neisen, John Tomlinson

Senate Conferees: (Signed) Jerome M. Hughes, John C. Chenoweth, Delores Knaak

Mr. Hughes moved that the foregoing recommendations and Conference Committee Report on H. F. No. 1781 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H. F. No. 1781: A bill for an act relating to the city of Maplewood; authorizing the payment of lump sum service pensions by the Maplewood firefighters relief association.

Was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

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

Those who voted in the affirmative were:

Ashbach	Coleman	Hughes	Knoll	Merriam
Bang	Dieterich	Humphrey	Knutson	Nelson
Benedict	Engler	Johnson	Laufenburger	Nichols
Bernhagen	Frederick	Keefe, J.	Lessard	Olhoft
Brataas	Gearty	Kirchner	Luther	Penny
Chenoweth	Gunderson	Kleinbaum	McCutcheon	Peterson
Chmielewski	Hanson	Knaak	Menning	Purfeerst

Renneke	Setzepfandt	Solon	Strand	Ulland, J.
Schaaf	Sieloff	Spear	Stumpf	Vega
Schmitz	Sikorski	Staples	Tennesen	Wegener
Schrom	Sillers	Stokowski	Ueland, A.	Willet

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

MESSAGES FROM THE HOUSE—CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 1805 and repassed said bill in accordance with the report of the Committee, so adopted.

H. F. No. 1805: A bill for an act relating to taxation; clarifying tax status of certain leased United States property; limiting the assessment and taxation of certain leased property; clarifying status of certain taconite taxes; amending Minnesota Statutes 1976, Section 273.19, Subdivision 1, and by adding a subdivision; and Chapter 275, by adding a section.

House File No. 1805 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 23, 1978

CONFERENCE COMMITTEE REPORT ON H. F. NO. 1805

A bill for an act relating to taxation; clarifying tax status of certain leased United States property; limiting the assessment and taxation of certain leased property; clarifying status of certain taconite taxes; amending Minnesota Statutes 1976, Section 273.19, Subdivision 1, and by adding a subdivision; and Chapter 275, by adding a section.

March 23, 1978

The Honorable Martin O. Sabo
Speaker of the House of Representatives

The Honorable Edward J. Gearty
President of the Senate

We, the undersigned conferees for H. F. No. 1805, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments.

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) William N. Kelly, James R. Casserly, Wesley J. Skoglund

Senate Conferees: (Signed) Collin C. Peterson, Bill McCutcheon

Mr. Peterson moved that the foregoing recommendations and Conference Committee Report on H. F. No. 1805 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H F. No. 1805: A bill for an act relating to taxation; clarifying tax status of certain leased United States property; limiting the assessment and taxation of certain leased property; clarifying status of certain taconite taxes; amending Minnesota Statutes 1976, Section 273.19, Subdivision 1, and by adding a subdivision; and Chapter 275, by adding a section.

Was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 56 and nays 1, as follows:

Those who voted in the affirmative were:

Anderson	Gunderson	Laufenburger	Purfeerst	Strand
Ashbach	Hanson	Lessard	Renneke	Stumpf
Bang	Hughes	Luther	Schaaf	Tennessen
Benedict	Humphrey	McCutcheon	Schmitz	Ueland, A.
Bernhagen	Johnson	Menning	Schrom	Ulland, J.
Chenoweth	Keefe, J.	Merriam	Setzepfandt	Vega
Chmielewski	Keefe, S.	Nelson	Sikorski	Wegener
Coleman	Kirchner	Nichols	Sillers	Willet
Dunn	Kleinbaum	Ogdahl	Solon	
Engler	Knaak	Olhoft	Spear	
Frederick	Knoll	Penny	Staples	
Gearty	Knutson	Peterson	Stokowski	

Mr. Dieterich voted in the negative.

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

MESSAGES FROM THE HOUSE—CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 1819 and repassed said bill in accordance with the report of the Committee, so adopted.

H. F. No. 1819: A bill for an act relating to workers' compensation; providing for the coverage of certain farm and business owners and employees; amending Minnesota Statutes, 1977 Supplement, Section 176.012.

House File No. 1819 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives
Transmitted March 23, 1978

CONFERENCE COMMITTEE REPORT ON H. F. NO. 1819

A bill for an act relating to workers' compensation; providing for the coverage of certain farm and business owners and employees; amending Minnesota Statutes, 1977 Supplement, Section 176.012.

March 22, 1978

The Honorable Martin O. Sabo
Speaker of the House of Representatives

The Honorable Edward J. Gearty
President of the Senate

We, the undersigned conferees for H. F. No. 1819, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and H. F. No. 1819 be amended as follows:

Strike everything after the enacting clause and insert:

"Section 1. 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) , *nor shall it include an executive officer of a closely held corporation who is referred to in section 176.012 ;*
- (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 purposes 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.

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. 2. Minnesota Statutes, 1977 Supplement, Section 176.012, is amended to read:

176.012 [OWNERS MAY BE COVERED.] If a workers' compensation policy is procured For the purposes of this chapter, an owner or owners of a business or farm, executive officer of a family farm corporation as defined in section 500.24, subdivision 1, clause (c), or an executive officer of a closely held corporation which employed less than the equivalent of 11 full time employees in the previous calendar year if that executive officer is also an owner of at least 25 percent of the stock of that corporation, and the spouse, parent, and child, regardless of age, of the farm owner or farm owners or executive officer and working therefor, or partners of a partnership owning a business or farm, whether or not employing any other person to perform a service for hire, shall be included within the meaning of the term employee unless such if the owner, owners, partners or , family farm corporation or executive officer of a closely held corporation elect in writing not to come bring themselves, an executive officer, or a spouse, parent, or child under the provisions of this chapter, and the policy so states the election provide the insurance required thereunder . Nothing in this section shall be construed to limit the responsibilities of such the owners, partners or , family farm corporations or closely held corporations to provide coverage for their employees, if any, required under this chapter.

Sec. 3. *This act is effective the day after final enactment.* ”

Further, strike the title and insert:

“A bill for an act relating to workers' compensation; providing for the coverage of certain farm and business owners and employees upon election; amending Minnesota Statutes, 1977 Supplement, Sections 176.011, Subdivision 9; and 176.012.”

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Leo G. Adams, Michael Sieben, Buzz Anderson.

Senate Conferees: (Signed) Roger E. Strand, Steve Engler, Jim Nichols.

Mr. Strand moved that the foregoing recommendations and Conference Committee Report on H. F. No. 1819 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H. F. No. 1819: A bill for an act relating to workers' compensation; providing for the coverage of certain farm and business owners and employees upon election; amending Minnesota Statutes, 1977 Supplement, Sections 176.011, Subdivision 9; and 176.012.

Was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 48 and nays 5, as follows:

Those who voted in the affirmative were:

Ashbach	Hanson	Luther	Purfeerst	Stokowski
Benedict	Hughes	McCutcheon	Renneke	Strand
Bernhagen	Humphrey	Menning	Schmitz	Stumpf
Chenoweth	Keefe, J.	Merriam	Schrom	Tennessee
Chmielewski	Kirchner	Nelson	Setzepfandt	Ueland, A.
Dunn	Kleinbaum	Nichols	Sieloff	Ulland, J.
Engler	Knaak	Ogdahl	Sikorski	Wegener
Frederick	Knutson	Olhoff	Sillers	Willet
Gearty	Laufenburger	Penny	Solon	
Gunderson	Lessard	Peterson	Staples	

Those who voted in the negative were:

Bang	Dieterich	Johnson	Spear	Vega
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So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MESSAGES FROM THE HOUSE—CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 1859 and repassed said bill in accordance with the report of the Committee, so adopted.

H. F. No. 1859: A bill for an act relating to retirement; providing for an exclusion from public pension coverage for those persons covered by certain federal public service employment programs in compliance with federal regulations; establishment of reserve accounts for certain provisional members; amending Minnesota Statutes 1976, Sections 69.29; 136.80, Subdivision 1; 352B.01, Subdivision 2; 353.64, by adding a subdivision; 354A.10; 423.23; 423.372; 423.43; 423.801, Subdivision 2; 424.03; Chapter 356, by adding sections; and Laws 1969, Chapter 950, Section 1; Minnesota Statutes, 1977 Supplement, Sections 352.01, Subdivision 2B; 353.01, Subdivision 2b; 354.05, Subdivision 2; and 422A.09, Subdivision 3.

House File No. 1859 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 23, 1978

CONFERENCE COMMITTEE REPORT ON H F. NO. 1859

A bill for an act relating to retirement; providing for an exclusion from public pension coverage for those persons covered by certain federal public service employment programs in compliance with federal regulations; establishment of reserve accounts for certain provisional members; amending Minnesota Statutes 1976, Sections 69.29; 136.80, Subdivision 1; 352B.01, Subdivision 2; 353.64, by adding a subdivision; 354A.10; 423.23; 423.372; 423.43; 423.801, Subdivision 2; 424.03; Chapter 356, by adding sections; and Laws 1969, Chapter 950, Section 1; Minnesota Statutes, 1977 Supplement, Sections 352.01, Sub-

division 2B; 353.01, Subdivision 2b; 354.05, Subdivision 2; and 422A.09, Subdivision 3.

March 22, 1978

The Honorable Martin O. Sabo
Speaker of the House of Representatives

The Honorable Edward J. Gearty
President of the Senate

We, the undersigned conferees for H. F. No. 1859, report that we have agreed upon the items in dispute and recommend as follows:

That the House accede to the Senate amendments, and that H. F. No. 1859 be further amended as follows:

Page 2, line 11, delete "10" and insert "11"

Page 9, following line 4, insert:

"Sec. 5. Minnesota Statutes 1976, Section 352B.11, Subdivision 2, is amended to read:

Subd. 2. [DEATH; PAYMENT TO SPOUSE AND CHILDREN.] In the event any member of the association serving actively as a member, shall die from any cause, the association shall grant annuities or benefit payments from the retirement fund to his surviving spouse and to a dependent child or dependent children. The surviving spouse and dependent child or dependent children shall be entitled to annuity as follows:

(a) To the surviving spouse, for her natural life, a monthly annuity equal to 20 percent of that portion of the average monthly salary of the member from which deductions were made for retirement. If the surviving spouse remarries, the annuity shall cease as of the date of the remarriage. The surviving spouse of a former member who, after attaining 55 years of age, elected to receive a joint and survivor annuity, shall, notwithstanding her remarriage, receive such joint and survivor annuity, for her natural life, in lieu of the annuity prescribed by this subdivision. In the event such former member did not elect to receive a joint and survivor annuity his surviving spouse shall receive the annuity provided herein.

(b) Notwithstanding the provisions of clause (a), the surviving spouse of any member who had served for 20 years or more and who was not 55 years of age at his death, shall receive the benefit equal to 20 percent of the average monthly salary as described in clause (a) until the deceased member would have reached his 55th birthday, and beginning the first of the month following that date, she shall be entitled to receive the joint and survivor annuity designated as option 1 under the administrative procedure of the association dated November 1, 1965. If the surviving spouse remarries prior to the deceased member's 55th birthdate, all benefits or annuities shall cease as of the

date of remarriage. The provisions of this clause shall be retroactive to July 1, 1969, but no payments shall be made until July 1, 1973.

(c) To each dependent child, a monthly annuity equal to ten percent of that portion of the average monthly salary of the former member from which deductions were made for retirement. A dependent child over the age of 18 years and under the age of 22 years also may receive the monthly benefit provided herein, if said child is continuously attending an accredited school as a fulltime student during the normal school year as determined by the board of the fund. If said child does not continuously attend school but separates himself during any portion of a school year, the annuity shall cease at the end of the month of separation. In addition, the association shall make a payment of \$20 per month to be prorated equally to such children when the former member is survived by one or more dependent children. Payments for the benefit of any qualified dependent child shall be made to the surviving spouse, or if there be none, to the legal guardian of such child. The maximum monthly benefit shall not exceed \$400 *40 percent of the average monthly salary for any number of children.* The provisions of this clause are effective retroactively to March 1, 1967, *provided that the increase in the maximum monthly benefit shall not take effect until July 1, 1973; and provided further that the increase in the maximum monthly benefit from \$200 to \$400 shall not be effective retroactively 1978.*

(d) If the member shall die under circumstances which entitle his surviving spouse and dependent children to receive benefits under the worker's compensation law, the amounts so received by them shall not be deducted from the benefits payable under this section. The provisions of this clause are effective retroactively to June 30, 1964.

(e) In the event any former member who had separated from service prior to having completed 20 years of service except former members permanently disabled in performance of duty and was not employed by the state in a capacity entitling him to accumulate allowable service credit at the time of his death, his widow and children or heirs shall be entitled to receive any funds he may have left on deposit in the highway patrolmen's retirement fund, but shall receive no further benefits under this chapter."

Page 15, line 9, before "The" insert "*For the St. Paul and Duluth teachers retirement fund associations, and for the Minneapolis teachers retirement fund association unless the person is designated by the board of education of special school district number 1 pursuant to section 11 as a provisional member of the teachers retirement fund association,*"

Page 16, lines 8 and 12, delete "10" and insert "11"

Page 18, line 1, after "Minneapolis" insert "*or the board of education of special school district number 1, whichever is applicable,*"

Page 21, line 1, delete the period and insert a semicolon

Page 21, after line 1, insert "(5) Minneapolis teachers retirement fund association established pursuant to chapter 354A."

Page 23, line 25, delete "10" and insert "11"

Page 30, following line 32, insert:

"Sec. 18. Minnesota Statutes 1976, Chapter 490, is amended by adding a section to read:

[490.107] [RETIREMENT BENEFITS; INCREASE AND PAYMENT.] (1) *Effective July 1, 1978, all retirement and disability benefits payable pursuant to sections 490.11, 490.12, subdivisions 1 and 2, and 487.06, commencing with the monthly benefit payment accruing on and after July 1, 1978 shall be paid by the Minnesota state retirement system.*

(2) *On the effective date of this act the balance of the sums appropriated to the commissioner of finance by Laws 1977, Chapter 432, for payment of the disability benefit made pursuant to sections 490.11 and 490.12, subdivision 1, shall be paid to the Minnesota state retirement system, judges retirement fund.*

(3) *Prior to July 1, 1978, the county auditors of the counties which on the effective date of this act are liable for the payment of retirement benefits pursuant to sections 487.06 and 490.12, subdivision 2, shall certify to the executive director of the Minnesota state retirement system the amount of the monthly benefit that the former judge of that county is or will be entitled to receive and, on June 30, 1978, and each June 30 thereafter, shall pay to the Minnesota retirement system an amount equal to the annual retirement benefit due such retired judge for the following fiscal year plus \$25 for administrative expense. In the event of the death of the retired judge, the director shall refund to the county any unexpended balance of the moneys the county had paid.*

(4) *On July 1, 1978, the retirement benefits due and payable as certified by the county auditors and disability benefit paid by the state pursuant to Minnesota Statutes, 1977 Supplement, Section 15A.083, Subdivision 3, shall be increased in accordance with the following schedule:*

<i>Benefit payments which initially had commenced:</i>	<i>Shall be increased on July 1, 1978 by the following percentages:</i>
<i>Prior to July 1, 1969</i>	<i>19.4 percent</i>
<i>Between July 1, 1969 and June 30, 1970</i>	<i>15.3 percent</i>
<i>Between July 1, 1970 and June 30, 1971</i>	<i>13.0 percent</i>
<i>Between July 1, 1971 and June 30, 1972</i>	<i>8.2 percent</i>
<i>Between July 1, 1972 and June 30, 1976</i>	<i>4.0 percent</i>

(5) *On and after July 1, 1978, these retirement and disability*

benefits shall be payable from the judges retirement fund but shall thereafter be adjusted in the same manner and at the same time as other benefits payable from the Minnesota adjustable fixed benefit fund. The benefit level in effect on July 1, 1978, including the increase pursuant to clause (4), shall be deemed to be the originally determined benefit for the purpose of future adjustments."

Page 33, line 13, delete "18" and insert "20"

Page 34, following line 15, insert:

"Sec. 23. [CERTAIN JUDGES OF THE TAX COURT.] Notwithstanding any law to the contrary, a person who held the office of a judge of the tax court on and prior to July 1, 1977 shall be entitled to obtain credit in the general employees plan of the Minnesota state retirement system for service as a judge of the tax court rendered prior to July 1, 1977 by paying to the executive director of the Minnesota state retirement system for deposit in the state employees retirement fund an amount equal to \$796 for each year of service as a judge of the tax court for which the person elects to obtain service credit. For periods of service less than a full year, the amount of the payment shall be prorated. The tax court, as the employer, shall pay an amount equal to the payment made by the person under this section.

Sec. 24. [APPROPRIATION.] There is hereby appropriated from the general fund to the executive director of the Minnesota state retirement system, to be deposited in the judges retirement fund, the sum of \$10,000 to be available for the fiscal year ending June 30, 1979, for the payment of the increases provided in section 18, clause (4)."

Page 34, line 26, delete "10" and insert "11"

Renumber the sections in sequence

Further, amend the title as follows:

Page 1, line 7, following the semicolon insert:

"increasing highway patrol officers survivor benefits; providing a post-retirement adjustment for certain former probate judges; authorizing purchase of prior service credit by certain tax court judges; appropriating money;"

Page 1, line 9, after "Subdivision 2;" insert "352B.11, Subdivision 2;"

Page 1, line 12, after "sections;" insert "Chapter 490, by adding a section;"

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Al W. Patton, David J. Beauchamp, Donald M. Moe

Senate Conferees: (Signed) Roger E. Strand, Eugene E. Stokowski, Harmon T. Ogdahl

Mr. Strand moved that the foregoing recommendations and Conference Committee Report on H. F. No. 1859 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H. F. No. 1859: A bill for an act relating to retirement; providing for an exclusion from public pension coverage for those persons covered by certain federal public service employment programs in compliance with federal regulations; increasing highway patrol officers survivor benefits; providing a post-retirement adjustment for certain former probate judges; authorizing purchase of prior service credit by certain tax court judges; appropriating money; establishment of reserve accounts for certain provisional members; amending Minnesota Statutes 1976, Sections 69.29; 136.80, Subdivision 1; 352B.01, Subdivision 2; 352B.11, Subdivision 2; 353.64, by adding a subdivision; 354A.10; 423.23; 423.372; 423.43; 423.801, Subdivision 2; 424.03; Chapter 356, by adding sections; Chapter 490, by adding a section; and Laws 1969, Chapter 950, Section 1; Minnesota Statutes, 1977 Supplement, Sections 352.01, Subdivision 2B; 353.01, Subdivision 2b; 354.05, Subdivision 2; and 422A.09, Subdivision 3.

Was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

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

Those who voted in the affirmative were:

Anderson	Gearly	Knutson	Purfeerst	Stokowski
Ashbach	Gunderson	Laufenburger	Renneke	Strand
Bang	Hanson	Lessard	Schaaf	Stumpf
Benedict	Hughes	Luther	Schmitz	Tennessen
Bernhagen	Humphrey	McCutcheon	Schrom	Ueland, A.
Brataas	Jensen	Menning	Setzepfandt	Ulland, J.
Chenoweth	Johnson	Merriam	Sieloff	Vega
Chmielewski	Keefe, J.	Nelson	Sikorski	Wegener
Dieterich	Kirchner	Nichols	Sillers	Willet
Dunn	Kleinbaum	Olhoft	Solon	
Engler	Knaak	Penny	Spear	
Frederick	Knoll	Peterson	Staples	

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

MESSAGES FROM THE HOUSE—CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 2093 and repassed said bill in accordance with the report of the Committee, so adopted.

H. F. No. 2093: A bill for an act relating to retirement; transfer of pension coverage for university of Minnesota peace officers to the public employees police and fire fund; terminating the univer-

sity of Minnesota police department retirement plan and fund; transfer of assets and records; providing for an extension of police state aid; amending Minnesota Statutes 1976, Sections 69.021, Subdivision 9; 69.031, Subdivision 4; 356.20, Subdivision 2; Minnesota Statutes, 1977 Supplement, Sections 69.011, Subdivisions 1 and 2; 69.021, Subdivisions 5, 6 and 7; and 69.031, Subdivision 5.

House File No. 2093 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives
Transmitted March 23, 1978

CONFERENCE COMMITTEE REPORT ON H. F. NO. 2093

A bill for an act relating to retirement; transfer of pension coverage for university of Minnesota peace officers to the public employees police and fire fund; terminating the university of Minnesota police department retirement plan and fund; transfer of assets and records; providing for an extension of police state aid; amending Minnesota Statutes 1976, Sections 69.021, Subdivision 9; 69.031, Subdivision 4; 356.20, Subdivision 2; Minnesota Statutes, 1977 Supplement, Sections 69.011, Subdivisions 1 and 2; 69.021, Subdivisions 5, 6 and 7; and 69.031, Subdivision 5.

March 22, 1978

The Honorable Martin O. Sabo
Speaker of the House of Representatives

The Honorable Edward J. Gearty
President of the Senate

We, the undersigned conferees for H. F. No. 2093, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H. F. No. 2093 be amended as follows:

Strike everything after the enacting clause and insert:

"Section 1. [UNIVERSITY OF MINNESOTA PEACE OFFICERS; PENSION AND RETIREMENT COVERAGE.] Subdivision 1. [TRANSFER OF PENSION COVERAGE FOR EXISTING EMPLOYEES.] Notwithstanding any provisions of law to the contrary, as of July 1, 1978, all active peace officers employed by the university of Minnesota at any campus or facility of the university shall cease to be members of the university of Minnesota police department retirement plan and fund and shall cease to have any accrual of service credit, rights, or benefits under that plan. From and after July 1, 1978, any active peace officer shall be a member of the public employees police and fire fund, shall be considered a police officer for purposes of chapter 353 if otherwise meeting the requirements of section 353.64, and shall have any past service as a peace officer with the university of Minnesota credited as allowable service by the public employees police and fire fund for purposes of section 353.01, subdivision 16.

Subd. 2. [PENSION COVERAGE FOR NEW PEACE OFFICERS.] All persons first employed by the university of Minne-

sota at any campus or facility of the university and appointed by the board of regents as peace officers after July 1, 1978, shall be members of the public employees police and fire fund and shall be considered police officers for purposes of section 356.64, subdivisions 1 and 2.

Subd. 3. [TRANSFER OF EXISTING RECIPIENTS OF PENSION AND OTHER RETIREMENT BENEFITS.] As of July 1, 1978, the accrued liability for all retirement annuities, disability benefits, survivorship annuities and survivor of deceased active employee benefits paid or payable by the university of Minnesota police department retirement plan and fund shall be transferred to the public employees police and fire fund and shall no longer be the liability of the university of Minnesota police department retirement plan and fund. The required reserves for retirement annuities in effect as of June 30, 1978, including future automatic survivor benefits for survivors of deceased former retirement annuitants attributable to those annuities, and the required reserves for benefits of survivor of deceased former retirement annuitants in effect as of June 30, 1978 shall be determined using a five percent interest assumption and the applicable public employees police and fire fund mortality table and shall be transferred by the public employees police and fire fund to the Minnesota adjustable fixed benefit fund on the effective date of this section but shall be considered transferred as of June 30, 1978. The annuity or benefit amount on the effective date of this section shall be considered the "originally determined benefit" for purposes of further adjustments pursuant to section 11.25. If an adjustment from the Minnesota adjustable fixed benefit fund pursuant to section 11.25 is payable as of January 1, 1979, any annuitant or benefit recipient receiving an annuity or benefit from the Minnesota adjustable fixed benefit fund pursuant to this section shall be entitled to receive the adjustment if the annuitant or recipient began receiving the annuity or benefit from the university of Minnesota police department retirement plan and fund on or before June 30, 1977. If an adjustment from the Minnesota adjustable fixed benefit fund pursuant to section 11.25 is payable as of January 1, 1979, the required reserves for the increase determined using a five percent interest assumption and the applicable public employees police and fire fund mortality table shall be transferred by the public employees police and fire fund to the Minnesota adjustable fixed benefit fund on January 1, 1979. For persons receiving benefits as survivors of deceased former retirement annuitants, the benefit shall be considered as having commenced on the date on which the retirement annuitant began receiving the retirement annuity.

Sec. 2. [TERMINATION OF PLAN AND FUND.] Subdivision 1. [TRANSFER OF ASSETS.] Prior to August 1, 1978 the board of regents of the university of Minnesota shall transfer the entire cash value of the assets of the university of Minnesota police department retirement plan and fund to the public employees police and fire fund. The assets shall also include all accounts receivable, if any, irrespective of source. Any accounts payable on July 1, 1978 shall also be transferred to the public employees

police and fire fund. The public employees police and fire fund shall be the successor in interest to all claims for and against the university of Minnesota police department retirement plan and fund or the board of regents of the university of Minnesota with respect to the plan and fund, except any claim against the plan and fund or any person connected with the plan and fund in a fiduciary capacity, based on any act or acts by that person which were not done in good faith and which constituted a breach of his obligation as a fiduciary. As a successor in interest, the public employees police and fire fund may assert any applicable defense in any judicial proceeding which the university of Minnesota police department retirement plan and fund or the board of regents of the university of Minnesota would otherwise have been entitled to assert.

Subd. 2. [TRANSFER OF RECORDS.] Prior to August 1, 1978, the board of regents of the university of Minnesota shall transfer to the public employees police and fire fund original copies of all records and documents relating to the university of Minnesota police department retirement plan and fund and any of its members which are in the possession of the university, and shall provide from time to time whatever additional relevant information the board of trustees of the public employees retirement association may request.

Subd. 3. [TERMINATION OF THE FUND.] Upon the transfer of the assets, liabilities and records of the university of Minnesota police department retirement plan and fund to the public employees police and fire fund, the university of Minnesota police department retirement plan and fund shall terminate and shall cease to exist as a legal entity.

Sec. 3. [ADDITIONAL EMPLOYER OBLIGATION TO AMORTIZE UNFUNDED ACCRUED LIABILITIES.] In order to amortize the additional unfunded accrued liability incurred by the public employees police and fire fund as a result of the consolidation of the university of Minnesota police department plan and fund, and to place the university of Minnesota on an equivalent basis with the other public employing units having employees covered by the public employees police and fire fund, the university of Minnesota shall make an annual contribution to the public employees police and fire fund in addition to the employer contribution specified in section 353.65, subdivision 3. The additional contribution shall be a level annual dollar amount of \$82,904, payable at the beginning of each fiscal year, commencing July 1, 1978 and payable for a period of ten years; provided however that upon request of the board of regents of the university of Minnesota, the board of trustees of the public employees retirement association may specify an alternative procedure of periodic payments.

Sec. 4. [GENERAL ADMINISTRATION.] The provisions of chapter 353 shall govern in all instances where not inconsistent with the provisions of this act.

Sec. 5. [FUTURE ACTUARIAL VALUATIONS.] Notwith-

standing Minnesota Statutes 1976, Section 356.215, the administration of the university of Minnesota police department retirement plan and fund shall not be required to have an actuarial valuation made as of July 1, 1978. The executive director of the public employees retirement association shall include the transferred membership, liabilities and assets of the university of Minnesota police department retirement plan and fund in the valuation of the public employees retirement association as of June 30, 1978.

Sec. 6. This act is effective July 1, 1978."

Further, amend the title by deleting lines 7 through 13 and inserting "assets and records."

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Donald M. Moe, Al W. Patton, David J. Beauchamp.

Senate Conferees: (Signed) Eugene E. Stokowski, John C. Chenoweth, Harmon T. Ogdahl.

Mr. Stokowski moved that the foregoing recommendations and Conference Committee Report on H. F. No. 2093 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H. F. No. 2093: A bill for an act relating to retirement; transfer of pension coverage for university of Minnesota peace officers to the public employees police and fire fund; terminating the university of Minnesota police department retirement plan and fund; transfer of assets and records.

Was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 52 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Gearty	Knoll	Peterson	Strand
Ashbach	Gunderson	Knutson	Renneke	Stumpf
Bang	Hanson	Laufenburger	Schmitz	Tennessen
Benedict	Hughes	Lessard	Schrom	Ueland, A.
Bernhagen	Humphrey	Luther	Setzepfandt	Ulland, J.
Brataas	Jensen	McCutcheon	Sieloff	Vega
Chenoweth	Johnson	Menning	Sikorski	Wegener
Dieterich	Keefe, J.	Nelson	Solon	Willet
Dunn	Kirchner	Nichols	Spear	
Engler	Kleinbaum	Olhoff	Staples	
Frederick	Knaak	Penny	Stokowski	

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

MESSAGES FROM THE HOUSE—CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 2159 and repassed said bill in accordance with the report of the Committee, so adopted.

H. F. No. 2159: A bill for an act relating to courts; permitting personal jurisdiction over nonresidents for causes of action relating to tortious acts; revising the provision to accord with federal constitutional requirements; amending Minnesota Statutes 1976, Section 543.19, Subdivision 1.

House File No. 2159 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 23, 1978

CONFERENCE COMMITTEE REPORT ON H. F. NO. 2159

A bill for an act relating to courts; permitting personal jurisdiction over non-residents for causes of action relating to tortious acts; revising the provision to accord with federal constitutional requirements; amending Minnesota Statutes 1976, Section 543.19, Subdivision 1.

March 22, 1978

The Honorable Martin O. Sabo
Speaker of the House of Representatives

The Honorable Edward J. Gearty
President of the Senate

We, the undersigned conferees for H. F. No. 2159, report that we have agreed upon the items in dispute and recommend as follows:

That the House concur with the Senate amendments to H. F. No. 2159.

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Michael Sieben, Harry Sieben, Al Patton.

Senate Conferees: (Signed) Marvin B. Hanson, John B. Keefe, Sam Solon.

Mr. Hanson moved that the foregoing recommendations and Conference Committee Report on H. F. No. 2159 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H. F. No. 2159: A bill for an act relating to courts; increasing the maximum salary for district court reporters; permitting personal jurisdiction over non-residents for causes of action relating

to tortious acts; revising the provision to accord with federal constitutional requirements; amending Minnesota Statutes 1976, Sections 486.05, Subdivision 1; and 543.19, Subdivision 1.

Was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

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

Those who voted in the affirmative were:

Anderson	Gunderson	Laufenburger	Purfeerst	Strand
Ashbach	Hanson	Lessard	Renneke	Stumpf
Bang	Hughes	Luther	Schaaf	Tennessen
Benedict	Humphrey	McCutcheon	Schmitz	Ueland, A.
Bernhagen	Jensen	Menning	Schrom	Ulland, J.
Brataas	Johnson	Merriam	Setzepfandt	Vega
Chenoweth	Keefe, J.	Nelson	Sikoraki	Wegener
Dieterich	Kirchner	Nichols	Sillers	Willet
Dunn	Kleinbaum	Ogdahl	Solon	
Engler	Knaak	Olhoff	Spear	
Frederick	Knoll	Penny	Staples	
Gearty	Knutson	Peterson	Stokowski	

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

MESSAGES FROM THE HOUSE—CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 2223 and repassed said bill in accordance with the report of the Committee, so adopted.

H. F. No. 2223: A bill for an act relating to Hennepin county municipal court; authorizing the establishment of suburban court locations; amending Minnesota Statutes 1976, Section 488A.01, Subdivision 9.

House File No. 2223 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 23, 1978

CONFERENCE COMMITTEE REPORT ON H. F. NO. 2223

A bill for an act relating to Hennepin county municipal court; authorizing the establishment of suburban court locations; amending Minnesota Statutes 1976, Section 488A.01, Subdivision 9.

March 23, 1978

The Honorable Martin O. Sabo
Speaker of the House of Representatives

The Honorable Edward J. Gearty
President of the Senate

We, the undersigned conferees for H. F. No. 2223, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H. F. No. 2223 be amended as follows:

Strike everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1976, Section 488A.01, Subdivision 9, is amended to read:

Subd. 9. [PLACE OF HOLDING COURT.] (a) The municipal building commission, or the county of Hennepin, or both, shall provide suitable quarters for the holding of regular terms of court in Minneapolis, Bloomington, ~~St. Louis Park, Wayzata, and Crystal~~, and at such other places ~~in northern and western suburban locations disbursed throughout~~ the county as may be designated by a majority of the judges of the court. At the ~~places~~ *locations* of holding regular terms of court established pursuant to this clause, all functions of the court may be discharged, including both court and jury trials of civil and criminal matters. *Nothing in this act shall be construed in such a way as to reduce the level of services to the suburban and rural citizens of Hennepin county.*

(b) In addition to the regular ~~places~~ *locations* of holding court set forth in clause (a) of this subdivision, trials of traffic and criminal violations before the court without jury shall be held in the municipalities of Golden Valley, Richfield, Excelsior, Edina, Minnetonka, Hopkins, Mound, Maple Plain, Plymouth, Brooklyn Center, St. Anthony, Osseo, Robbinsdale, Brooklyn Park, Eden Prairie, and Orono, if not so designated in clause (a) above and such additional locations as may be designated by a majority of the judges of the court. *Provided, however, that those municipalities which are holding court without jury but which are not holding regular terms of court upon the effective date of this act may require the continuance of such services by resolution to the county board within 30 days following the effective date of this act.* The county of Hennepin shall provide suitable quarters for the holding of court in such locations as may be designated under this clause."

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Tad Jude, Stanley A. Enebo, Robert L. Searles.

Senate Conferees: (Signed) William P. Luther, William G. Kirchner, Robert M. Benedict.

Mr. Luther moved that the foregoing recommendations and Conference Committee Report on H. F. No. 2223 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H. F. No. 2223: A bill for an act relating to Hennepin county

municipal court; authorizing the establishment of suburban court locations; amending Minnesota Statutes 1976, Section 488A.01, Subdivision 9.

Was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 54 and nays 2, as follows:

Those who voted in the affirmative were:

Anderson	Frederick	Knoll	Olson	Solon
Asbach	Gearty	Laufenburger	Penny	Spear
Bang	Gunderson	Lessard	Purfeerst	Stokowski
Benedict	Hanson	Lewis	Renneke	Strand
Bernhagen	Hughes	Luther	Schaaf	Tennessee
Brataas	Humphrey	McCutcheon	Schmitz	Ueland, A.
Chenoweth	Jensen	Menning	Schrom	Ulland, J.
Chmielewski	Johnson	Nelson	Setzepfandt	Vega
Dieterich	Keefe, J.	Nichols	Sieloff	Wegener
Dunn	Kirchner	Ogdahl	Sikorski	Willet
Engler	Knaak	Olhoft	Sillers	

Messrs. Knutson and Merriam voted in the negative.

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

MESSAGES FROM THE HOUSE—CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 2225 and repassed said bill in accordance with the report of the Committee, so adopted.

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.

House File No. 2225 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives
Transmitted March 23, 1978

CONFERENCE COMMITTEE REPORT ON 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.

March 22, 1978

The Honorable Martin O. Sabo
Speaker of the House of Representatives

The Honorable Edward J. Gearty
President of the Senate

We, the undersigned conferees for H. F. No. 2225, report that

we have agreed upon the items in dispute and recommend as follows:

That the House concur with the Senate amendments and that H. F. No. 2225 be further amended as follows:

Page 4, line 30, after "That" insert "except as provided in section 15, subdivision 4,"

Page 12, line 1, after "corporation" insert "organized under Minnesota Statutes, Chapter 62C,"

Page 12, line 3, after the period insert "A subscriber's contract with a corporation organized under Minnesota Statutes, Chapter 62C, shall provide for payment to, or reimbursement of, a subscriber for expenses incurred for covered legal services when rendered or furnished by non-participating providers."

Page 12, line 21, before "Nothing" insert "Except as provided in section 15, subdivision 4,"

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Ray W. Faricy, Michael Sieben, John T. Rose.

Senate Conferees: (Signed) Robert J. Tennesen, Neil Dieterich, Douglas H. Sillers.

Mr. Tennesen moved that the foregoing recommendations and Conference Committee Report on H. F. No. 2225 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

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.

Was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

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

Those who voted in the affirmative were:

Anderson	Gearty	Laufenburger	Purfeerst	Stokowski
Ashbach	Gunderson	Lessard	Renneke	Strand
Bang	Hanson	Lewis	Schaaf	Stumpf
Benedict	Hughes	Luther	Schmitz	Tennesen
Bernhagen	Humphrey	McCutcheon	Schrom	Ueland, A.
Brataas	Jensen	Menning	Setzepfandt	Ulland, J.
Chenoweth	Johnson	Merriam	Sieloff	Vega
Chmielewski	Keefe, J.	Nelson	Sikorski	Wegener
Dieterich	Keefe, S.	Ogdahl	Sillers	Willet
Dunn	Kirchner	Olhoff	Solon	
Engler	Kleinbaum	Olson	Spear	
Frederick	Knaak	Penny	Staples	

So the bill, as amended by the Conference Committee, was re-passed and its title was agreed to.

MESSAGES FROM THE HOUSE—CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 2466 and repassed said bill in accordance with the report of the Committee, so adopted.

H. F. No. 2466: A bill for an act relating to privacy of data on individuals; definitions, determination and emergency classification; amending Minnesota Statutes, 1977 Supplement, Sections 15.162, Subdivision 2a; and 15.1642, Subdivisions 3 and 5; repealing Minnesota Statutes, 1977 Supplement, Section 15.1642, Subdivision 4.

House File No. 2466 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives
Transmitted March 23, 1978

CONFERENCE COMMITTEE REPORT ON H. F. NO. 2466

A bill for an act relating to privacy of data on individuals; definitions, determination and emergency classification; amending Minnesota Statutes, 1977 Supplement, Sections 15.162, Subdivision 2a; and 15.1642, Subdivisions 3 and 5; repealing Minnesota Statutes, 1977 Supplement, Section 15.1642, Subdivision 4.

March 22, 1978

The Honorable Martin O. Sabo
Speaker of the House of Representatives

The Honorable Edward J. Gearty
President of the Senate

We, the undersigned conferees for H. F. No. 2466, report that we have agreed upon the items in dispute and recommend as follows:

That H. F. No. 2466 be further amended as follows:

Strike everything after the enacting clause and insert:

"Section 1. Minnesota Statutes, 1977 Supplement, Section 15.162, Subdivision 2a, is amended to read:

Subd. 2a. "Confidential data on individuals" means data which is (a) made not public by statute or federal law applicable to the data and is inaccessible to the individual subject of that data; or (b) collected by a civil or criminal investigative agency as part of an active investigation undertaken for the purpose of the commencement of a legal action, provided that the burden of proof as to whether such investigation is active or in anticipation of a legal action is upon the agency. Confidential data on individuals

does not include arrest information that is reasonably contemporaneous with an arrest or incarceration. The provision of clause (b) shall terminate and cease to have force and effect with regard to the state agencies, political subdivisions, statewide systems, covered by the ruling, upon the granting or refusal to grant an emergency classification pursuant to section 15.1642 of both criminal and civil investigative data, or on July 31, 1978 1979, whichever occurs first.

Sec. 2. Minnesota Statutes, 1977 Supplement, Section 15.1642, Subdivision 5, is amended to read:

Subd. 5. [EXPIRATION OF EMERGENCY CLASSIFICATION.] All emergency classifications granted under this section and still in effect shall expire on July 31, 1978 1979. No emergency classifications shall be granted after July 31, 1978 1979.

Sec. 3. Minnesota Statutes, Chapter 15, is amended by adding a section to read:

[15.1643] [INTERNATIONAL DISSEMINATION PROHIBITED.] *No state agency or political subdivision shall transfer or disseminate any private or confidential data on individuals to the private international organization known as Interpol.*

Sec. 4. [REPEALER.] *Minnesota Statutes, 1977 Supplement, Sections 144.151, Subdivisions 8 and 9; and 144.175, Subdivision 2, are repealed.*

Sec. 5. Subdivision 1. Sections 1, 2, and 4 are effective the day following final enactment.

Subd. 2. Section 3 is effective April 1, 1980."

Further, strike the title in its entirety and insert:

"A bill for an act relating to departments of state; concerning confidential data on individuals; regarding emergency classification of data; prohibiting the release of certain data to the international organization known as Interpol; amending Minnesota Statutes, 1977 Supplement, Sections 15.162, Subdivision 2a; 15.1642, Subdivision 5; and Minnesota Statutes 1976, Chapter 15, by adding a section; repealing Minnesota Statutes, 1977 Supplement, Sections 144.151, Subdivisions 8 and 9; and 144.175, Subdivision 2."

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) David J. Beauchamp, Michael George, Kenneth J. McDonald

Senate Conferees: (Signed) Robert J. Tennessen, Gene Merriam, John B. Keefe

Mr. Tennessen moved that the foregoing recommendations and Conference Committee Report on H. F. No. 2466 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H. F. No. 2466: A bill for an act relating to departments of state; concerning confidential data on individuals; regarding emergency classification of data; prohibiting the release of certain data to the international organization known as Interpol; amending Minnesota Statutes, 1977 Supplement, Sections 15.162, Subdivision 2a; 15.1642, Subdivision 5; and Minnesota Statutes 1976, Chapter 15, by adding a section; repealing Minnesota Statutes, 1977 Supplement, Sections 144.151, Subdivisions 8 and 9; and 144.175, Subdivision 2.

Was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 53 and nays 3, as follows:

Those who voted in the affirmative were:

Anderson	Frederick	Kleinbaum	Olson	Stokowski
Ashbach	Gearty	Knutson	Penny	Strand
Bang	Gunderson	Laufenburger	Purfeerst	Stumpf
Benedict	Hanson	Lessard	Renneke	Tennessen
Bernhagen	Hughes	Lewis	Schmitz	Ueland, A.
Chenoweth	Humphrey	Luther	Setzepfandt	Ulland, J.
Chmielewski	Jensen	Menning	Sieloff	Vega
Coleman	Johnson	Merriam	Sikorski	Wegener
Dieterich	Keefe, J.	Nelson	Sillers	Willet
Dunn	Keefe, S.	Nichols	Solon	
Engler	Kirchner	Olhoft	Spear	

Messrs. McCutcheon and Schrom and Mrs. Staples voted in the negative.

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

MESSAGES FROM THE HOUSE—CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 669 and repassed said bill in accordance with the report of the Committee, so adopted.

H. F. No. 669: A bill for an act relating to trespass; prohibiting trespass on certain lands of another for purposes of taking wild animals, fish or plants; limiting discharge of a firearm within 500 feet of an occupied building; amending Minnesota Statutes 1976, Sections 100.273; and 100.29, Subdivision 21; repealing Minnesota Statutes 1976, Section 100.29, Subdivision 22.

House File No. 669 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 23, 1978

CONFERENCE COMMITTEE REPORT ON H. F. NO. 669

A bill for an act relating to trespass; prohibiting trespass on certain lands of another for purposes of taking wild animals, fish or plants; limiting discharge of a firearm within 500 feet of an occupied building; amending Minnesota Statutes 1976, Sections 100.273; and 100.29, Subdivision 21; repealing Minnesota Statutes 1976, Section 100.29, Subdivision 22.

March 23, 1978

The Honorable Martin O. Sabo
Speaker of the House of Representatives

The Honorable Edward J. Gearty
President of the Senate

We, the undersigned conferees for H. F. No. 669, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and H. F. No. 669 be amended as follows:

Strike everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1976, Section 97.53, Subdivision 1, is amended to read:

97.53 [PUBLICATION OF ORDERS AND LAWS.] Subdivision 1. As soon as practicable after each legislative session, the commissioner, under the direction of the attorney general, shall make a compilation of the laws relating to wild animals, brought up to date and properly indexed. This compilation shall be printed in pamphlet form of pocket size, and 50 copies distributed to each senator, 25 copies to each representative, and ten copies to each county auditor. Not more than 10,000 copies in addition shall be printed for general distribution. The commissioner shall also prepare syllabi of the laws and deliver to county auditors a sufficient supply to furnish one copy to each person procuring a hunting, fishing, or trapping license. *At the beginning of these syllabi, under the heading "Trespass", the commissioner shall summarize the text of section 100.273.*

Sec. 2. Minnesota Statutes 1976, Section 100.273, is amended to read:

100.273 [TRESPASS.] Subdivision 1. *For purposes of this section, "agricultural lands" mean lands being used to raise agricultural products or lands enclosing domestic livestock, except lands within 66 feet of the water's edge of streams or lakes.*

Subd. 2. During the seasons for taking small game or big game no person shall enter upon the agricultural lands of another which are being used to raise agricultural products or upon land enclosing domestic stock of any kind for the any recreational purpose of hunting the above mentioned game as defined by section 87.021 unless and until the permission of the owner, occupant, or lessee is obtained. Wooded areas other than tree farms shall in no case be construed to be agricultural lands within the meaning of this statute.

Subd. 3. No person shall enter upon any land not his own regardless if it is agricultural land with intent to take any wild animals after being notified not to do so, either orally by the owner, occupant or lessee, or by signs erected pursuant to subdivision 6.

Subd. 2 4 . No person while engaged in hunting small game or big game any recreational purpose as defined by section 87.021 shall enter or leave the lands of another, or pass from one portion of another person's land, through a closed gate without returning the gate to its original position, nor shall any person destroy, cut or tear down any fence, building, grain, crops, any sign erected pursuant to subdivision 6 or live trees, or wound or kill any domestic livestock animals .

Subd. 5. No person shall take any wild animal with a firearm without the written permission of the owner or occupant of the premises on any private agricultural land not his own or any public right-of-way within 500 feet of any building occupied by a human being or by livestock, or within 500 feet of any stockade or corral containing livestock, nor shall any person take any wild animal with a firearm within 200 feet of any building occupied by a human being on any land other than agricultural land without the oral permission of the owner or occupant of the premises, or within 500 feet of any burning area.

Subd. 6. No person shall erect "no hunting", "no trapping", "no fishing", "no trespassing", or other signs prohibiting trespass upon any lands or waters in which he has no right, title, interests, or license. The owner, occupant, or lessee of any private land, or a duly constituted legal authority of public land, may erect signs prohibiting trespassing, hunting, trapping, or fishing if the signs bear letters not less than two inches high, are signed by the owner, occupant, or lessee, and are posted at intervals of not more than 1000 feet upon the boundaries of the area so protected.

Subd. 7. In taking raccoon, when treed on private land with the aid of dogs, a person while on foot may, without permission of the landowner, enter such private land to retrieve any dogs and then shall immediately leave the premises.

Subd. 3 8 . All conservation and peace officers shall enforce the provisions of this section.

Subd. 4 9 . Violation of any provision of this section is a misdemeanor. Upon a person's first conviction for violating any provision of this section, any license issued to him pursuant to chapter 98, or any registration pursuant to section 84.82, under which he was exercising or attempting to exercise a privilege while violating this section shall immediately become null and void. Except as otherwise provided in this subdivision, if a person is convicted of a second or subsequent offense prohibited by any provision of this section, any license issued to him pursuant to chapter 98, or any registration pursuant to section 84.82, under which he was exercising or attempting to exercise a privilege while violating this section, shall immediately become null and void and

he shall forfeit his right to secure any license for that purpose authorized in chapter 98 or any registration pursuant to section 84.82 for a period of three years from the date of the conviction. If a person is exercising or attempting to exercise a privilege under a license issued pursuant to chapter 98 when arrested for a second violation of this section and the purpose of the license is different from the purpose of the license under which he was exercising or attempting to exercise a privilege when arrested for the first offense, the license involved in the second violation shall immediately become null and void.

Sec. 3. Minnesota Statutes 1976, Section 100.29, Subdivisions 21 and 22, are repealed."

Further, strike the title and insert:

"A bill for an act relating to natural resources; modifying certain trespass laws; requiring permission to enter agricultural lands owned by another person; prohibiting the taking of wild animals within certain distances of buildings or livestock; providing penalties; amending Minnesota Statutes 1976, Sections 97.53, Subdivision 1; and 100.273; repealing Minnesota Statutes 1976, Section 100.29, Subdivisions 21 and 22."

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) John T. Clawson, Rod Searle, Gene Wenstrom

Senate Conferees: (Signed) Clarence M. Purfeerst, Collin Peterson, John Bernhagen

Mr. Purfeerst moved that the foregoing recommendations and Conference Committee Report on H. F. No. 669 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H. F. No. 669: A bill for an act relating to natural resources; modifying certain trespass laws; requiring permission to enter agricultural lands owned by another person; prohibiting the taking of wild animals within certain distances of buildings or livestock; providing penalties; amending Minnesota Statutes 1976, Sections 97.53, Subdivision 1; and 100.273; repealing Minnesota Statutes 1976, Section 100.29, Subdivisions 21 and 22.

CALL OF THE SENATE

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

Anderson	Chenoweth	Gunderson	Kleinbaum	Menning
Ashbach	Chmielewski	Hughes	Knoll	Merriam
Bang	Coleman	Humphrey	Knutson	Moe
Benedict	Dieterich	Johnson	Laufenburger	Nelson
Bernhagen	Dunn	Keefe, J.	Lessard	Nichols
Borden	Engler	Keefe, S.	Lewis	Ogdahl
Brataas	Gearty	Kirchner	Luther	Olson

Penny	Schrom	Solon	Tennessee	Willet
Peterson	Setzepfandt	Spear	Ueland, A.	
Purfeerst	Sieloff	Stokowski	Ulland, J.	
Renneke	Sikorski	Strand	Vega	
Schmitz	Sillers	Stumpf	Wegener	

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

H. F. No. 669 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 40 and nays 19, as follows:

Those who voted in the affirmative were:

Anderson	Engler	Lewis	Olson	Sillers
Benedict	Gearty	Luther	Penny	Solon
Bernhagen	Gunderson	Menning	Peterson	Spear
Borden	Humphrey	Merriam	Purfeerst	Stokowski
Chenoweth	Jensen	Moe	Renneke	Strand
Chmielewski	Kirchner	Nelson	Schmitz	Stumpf
Coleman	Kleinbaum	Nichols	Setzepfandt	Tennessee
Dunn	Laufenburger	Olhoff	Sikorski	Willet

Those who voted in the negative were:

Ashbach	Hughes	Knaak	Ogdahl	Ulland, J.
Bang	Johnson	Knoll	Schrom	Vega
Brataas	Keefe, J.	Knutson	Sieloff	Wegener
Dieterich	Keefe, S.	Lessard	Ueland, A.	

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

RECESS

Mr. Coleman moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

CALL OF THE SENATE

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

Bang	Frederick	Laufenburger	Penny	Stumpf
Benedict	Gearty	Lessard	Purfeerst	Tennessee
Bernhagen	Hanson	McCutcheon	Renneke	Ueland, A.
Borden	Hughes	Menning	Schmitz	Vega
Brataas	Jensen	Merriam	Sikorski	Willet
Chenoweth	Keefe, S.	Moe	Sillers	
Chmielewski	Kleinbaum	Nelson	Solon	
Coleman	Knaak	Ogdahl	Stokowski	
Engler	Knutson	Olson	Strand	

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

Without objection, the Senate reverted to the Order of Business of Messages from the House.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 1885 and repassed said bill in accordance with the report of the Committee, so adopted.

H. F. No. 1885: A bill for an act relating to education; providing for aids to education, tax levies, and the distribution of tax revenues; granting certain powers and duties to teachers, school boards, school districts, county auditors, the commissioner of education, the commissioner of finance, and the state board of education; creating a legislative school finance study commission; revising the provisions governing effective date, levy limitations, and employee relations, in case of school district reorganization; allowing the experimental pairing of certain districts; limiting the liability of school bus contractors; increasing foundation aid, special education aid, capital expenditure aid and the capital expenditure levy limitation; providing a funding method for programs of secondary vocational education for handicapped children; increasing the reinstatement period for teachers on unrequested leave of absence; providing state funding for the employer's share of retirement contributions for teachers on extended leaves of absence; prohibiting wage reopening clauses in teachers' contracts; authorizing certain expenditures; transferring certain appropriated funds; appropriating money; amending Minnesota Statutes 1976, Sections 6.62, Subdivision 1; 121.904, Subdivision 7, and by adding a subdivision; 122.22, Subdivision 9, and by adding a subdivision; 122.23, Subdivisions 13, 15, and 18; 122.46, Subdivision 2; 123.37, Subdivision 1b; 124.17, Subdivision 3; 124.20; 124.212, by adding subdivisions; 124.74; 124.76; 125.12, Subdivisions 6a and 6b; 126.12; 127.29, Subdivision 1; 128A.02, by adding subdivisions; 134.03; 179.70, Subdivision 1; 275.125, Subdivisions 15, 16 and 18; 475.60, Subdivision 2; Chapter 122, by adding sections; Chapter 124, by adding a section; Minnesota Statutes, 1977 Supplement, Sections 121.912, Subdivision 1; 122.85, Subdivision 1; 124.17, Subdivisions 1 and 2; 124.19, Subdivision 1; 124.212, Subdivisions 5a, 7b and 8a; 124.213, Subdivisions 1 and 2; 124.222, Subdivision 6; 124.245, Subdivisions 1 and 2, and by adding a subdivision; 124.32, Subdivisions 1, 1a, 1b, 5, and by adding a subdivision; 124.38, Subdivision 7; 124.562, Subdivision 1; 124.572, Subdivision 2; 124.573, Subdivision 2; 125.60, Subdivisions 2 and 3, and by adding a subdivision; 125.61, Subdivisions 1, 2, 3, 4, 6, and by adding a subdivision; 176.011, Subdivision 9; 275.07; 275.124; 275.125, Subdivisions 9, and 11a; 354.094, Subdivisions 1 and 4; 354.66, Subdivisions 1 and 9; 354A.091, Subdivisions 1 and 4; and 354A.22, Subdivisions 1 and 9; repealing Minnesota Statutes 1976, Sec-

tions 120.07; 122.53; 124.02; Minnesota Statutes, 1977 Supplement, Sections 125.61, Subdivision 5; 128A.06; and Laws 1977, Chapter 447, Article IX, Section 8.

House File No. 1885 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 23, 1978

CONFERENCE COMMITTEE REPORT ON H. F. NO. 1885

A bill for an act relating to education; providing for aids to education, tax levies, and the distribution of tax revenues; granting certain powers and duties to teachers, school boards, school districts, county auditors, the commissioner of education, the commissioner of finance, and the state board of education; creating a legislative school finance study commission; revising the provisions governing effective date, levy limitations, and employee relations, in case of school district reorganization; allowing the experimental pairing of certain districts; limiting the liability of school bus contractors; increasing foundation aid, special education aid, capital expenditure aid and the capital expenditure levy limitation; providing a funding method for programs of secondary vocational education for handicapped children; increasing the reinstatement period for teachers on unrequested leave of absence; providing state funding for the employer's share of retirement contributions for teachers on extended leaves of absence; prohibiting wage reopening clauses in teachers' contracts; authorizing certain expenditures; transferring certain appropriated funds; appropriating money; amending Minnesota Statutes 1976, Sections 6.62, Subdivision 1; 121.904, Subdivision 7, and by adding a subdivision; 122.22, Subdivision 9, and by adding a subdivision; 122.23, Subdivisions 13, 15, and 18; 122.46, Subdivision 2; 123.37, Subdivision 1b; 124.17, Subdivision 3; 124.20; 124.212, by adding subdivisions; 124.74; 124.76; 125.12, Subdivisions 6a and 6b; 126.12; 127.29, Subdivision 1; 128A.02, by adding subdivisions; 134.03; 179.70, Subdivision 1; 275.125, Subdivisions 15, 16 and 18; 475.60, Subdivision 2; Chapter 122, by adding sections; Chapter 124, by adding a section; Minnesota Statutes, 1977 Supplement, Sections 121.912, Subdivision 1; 122.85, Subdivision 1; 124.17, Subdivisions 1 and 2; 124.19, Subdivision 1; 124.212, Subdivisions 5a, 7b and 8a; 124.213, Subdivisions 1 and 2; 124.222, Subdivision 6; 124.245, Subdivisions 1 and 2, and by adding a subdivision; 124.32, Subdivisions 1, 1a, 1b, 5, and by adding a subdivision; 124.38, Subdivision 7; 124.562, Subdivision 1; 124.572, Subdivision 2; 124.573, Subdivision 2; 125.60, Subdivisions 2 and 3, and by adding a subdivision; 125.61, Subdivisions 1, 2, 3, 4, 6, and by adding a subdivision; 176.011, Subdivision 9; 275.07; 275.124; 275.125, Subdivisions 9, and 11a; 354.094, Subdivisions 1 and 4; 354.66, Subdivisions 1 and 9; 354A.091, Subdivisions 1 and 4; and 354A.22, Subdivisions 1 and 9; repealing Minnesota Statutes 1976, Sections 120.07; 122.53; 124.02; Minnesota Statutes, 1977 Sup-

plement, Sections 125.61, Subdivision 5; 128A.06; and Laws 1977, Chapter 447, Article IX, Section 8.

March 22, 1978

The Honorable Martin O. Sabo
Speaker of the House of Representatives

The Honorable Edward J. Gearty
President of the Senate

We, the undersigned conferees for H. F. No. 1885, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and H. F. No. 1885 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 brother or sister of that enrolled pupil who is related to that pupil by blood, adoption or marriage and to any foster child of that pupil's parents. 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, control, management and protection of handicapped children.*

Sec. 4. Minnesota Statutes 1976, Section 120.17, is amended by adding a subdivision to read:

Subd. 4a. No resident of a district who is eligible for special instruction and services pursuant to this section shall be denied provision of this instruction and service because he attends a public school in another school district pursuant to section 123.39, subdivision 5, if his attendance is not subject to section 120.065 or 123.39, subdivision 5a. If the pupil attends a public school located in a contiguous district and the district of attendance does not provide special instruction and services, the district of residence shall provide necessary transportation for the pupil between the boundary of the district of residence and the educational facility where special instruction and services are provided within the district of residence. The district of residence may provide necessary transportation for the pupil between its boundary and the school attended in the contiguous district, but shall not pay the cost of transportation provided outside the boundary of the district of residence.

Sec. 5. Minnesota Statutes 1976, Section 120.17, Subdivision 9, is amended to read:

Subd. 9. [SPECIAL INSTRUCTION.] *After August 15, 1977, No resident of a district who is eligible for special instruction and services pursuant to this section shall be denied provision of this instruction and service on a shared time basis because of attendance at a nonpublic school defined in section 123.932, subdivision 3. Nothing in this subdivision shall be construed to prevent any school district from providing special instruction and services pursuant to section 120.17 on a shared time basis prior to August 15, 1977. If a resident handicapped pupil attends a nonpublic school located within his district of residence, the district shall provide necessary transportation for that pupil within the district between the nonpublic school and the educational facility where special instruction and services are provided on a shared time basis. If a resident handicapped pupil attends a nonpublic school located in a district contiguous to his district of residence and if no agreement exists pursuant to section 124.212, subdivision 9, clause (c) or (d), for the provision of special instruction and services on a shared time basis to that pupil by the district of attendance, the district of residence shall provide necessary transportation for that pupil between the boundary of the district of residence and the educational facility where the special instruction and services are pro-*

vided within the district of residence. The district of residence may provide necessary transportation for that pupil between its boundary and the nonpublic school attended, but the nonpublic school shall pay the cost of transportation provided outside the district boundary.

Sec. 6. 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 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. 7. 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. 8. Minnesota Statutes, 1977 Supplement, Section 121.16, Subdivision 1, is amended to read:

121.16 [COMMISSIONER OF EDUCATION.] Subdivision 1. The department shall be under the administrative control of the commissioner of education which office is established. The commissioner shall be the secretary of the state board. He shall be appointed by the state board with the approval of the governor under the provisions of section 15.06. For purposes of section 15.06, the board shall be the appointing authority.

The commissioner shall be a person who possesses educational attainment and breadth of experience in the administration of public education and of the finances pertaining thereto commensurate with the spirit and intent of this code. *Notwithstanding any other law to the contrary, the commissioner may appoint two deputy commissioners who shall serve in the unclassified service. The commissioner shall also appoint other employees as may be necessary for the organization of the department. He shall perform such duties as the law and the rules of the state board may*

provide and be held responsible for the efficient administration and discipline of the department. He shall make recommendations to the board, and he shall be charged with the execution of powers and duties which the state board may prescribe, from time to time, to promote public education in the state, to safeguard the finances pertaining thereto, and to enable the state board to carry out its duties.

Sec. 9. 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) General administrative matters.

Sec. 10. 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. 11. 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. 12. 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. 13. Minnesota Statutes 1976, Section 121.904, is amended by adding a subdivision to read:

Subd. 11b. (1) Each district affected by the provisions of section 12 of this act shall account for and expend according to the provisions of this subdivision the total amount by which its 1976 payable 1977 and its 1977 payable 1978 permissible levies pursuant to section 275.125 were reduced on account of payments pursuant to sections 294.21 or 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. Notwithstanding the provisions of section 124.212, subdivision 8a, clause (2) and the provisions of section 275.125, subdivision 9, clause (2) or any other law to the contrary, this total amount shall not be applied to reduce the foundation aid which the district is entitled to receive pursuant to section 124.212 or again be applied to reduce the permissible levies of the district.

(2) The lesser of the amount in (1) or an amount equal to \$200 times the pupil units in the district computed pursuant to section 124.17 for the 1977-1978 school year shall be reflected in an "appropriated fund balance reserve account for current use of taconite payments" which shall be established in the general fund. Each school year, beginning in 1978-1979, each affected district

shall transfer an amount equal to \$20 times the number of pupil units in the district in 1977-1978 out of this account into other operating accounts in the general fund, until the amount transferred equals the amount originally reflected in the reserve account; provided that in the last year in which the district is required to make this transfer, it shall transfer the balance of the reserve account, not to exceed an amount equal to \$20 times the number of pupil units in the district in 1977-1978. Notwithstanding the provisions of section 121.917, each affected district may use the amount so transferred each year to increase its expenditures above the amount it would otherwise be authorized to expend in that school year.

(3) Of the amount in (1), any amount not reflected in the account established pursuant to clause (2) shall be reflected in the district's appropriated fund balance reserve account for purposes of reducing statutory operating debt, if the district has established this account pursuant to section 275.125, subdivision 9a. The June 30, 1977 statutory operating debt of the district shall be reduced by the amount so reflected and shall be recertified accordingly by the commissioner.

(4) Notwithstanding the provisions of section 121.912, any portion of the amount in (1) remaining after the application of clauses (2) and (3) shall be transferred to the district's capital expenditure fund.

Sec. 14. 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 except as provided in this subdivision. 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. Permanent transfers may be made from the general fund to the capital expenditure fund of a post-secondary vocational-technical school in the amount and for the purposes authorized by the state board for vocational education in approving the school's budget pursuant to section 124.561; provided, the state board shall not approve any permanent transfer for the purpose of the acquisition or betterment of lands or buildings or capital improvements needed for a post-secondary vocational-technical school, for which the district is required to obtain the approval of the state board or authorization by specific legislative act pursuant to section 121.21, subdivision 4.

Sec. 15. Minnesota Statutes 1976, Section 122.22, Subdivision 2, is amended to read:

Subd. 2. Proceedings under this section may be instituted by:

(a) Resolution of the county board of the county containing the

greatest land area of the district proposed for dissolution when such district has held no school within the district for two years and has made no provision for the education of its pupils for two years or when any district has had no children of school age for a period of five years is dissolved pursuant to sections 122.32 to 122.52.

(b) Petition executed by a majority of the resident freeholders of the district proposed for dissolution addressed to the county board of the county containing the greatest land area of the district.

(c) Certification by the clerk of the district proposed for dissolution to the county board of the county containing the greatest land area of the district to the effect that a majority of votes cast at an election were in favor of dissolving the district.

Sec. 16. Minnesota Statutes 1976, Section 122.22, Subdivision 9, is amended to read:

Subd. 9. An interlocutory order issued under subdivision 8, *clause* (b) shall contain:

(a) A statement that the dissolution of the district is proposed.

(b) A description, by words or plat or both showing proposed disposition of territory in the district to be dissolved.

(c) A statement showing the proposed distribution of the current assets and liabilities of the district to be dissolved, real and personal. If the order provides for the transfer of an interest in real estate to a district, the order may also impose a dollar amount as a claim against that district in favor of other districts which claim shall be paid and enforced in the manner provided by law for the payment of judgments against a district.

(d) (c) The outstanding bonded debt of the district to be dissolved.

(e) (d) A proposed effective date of the order not later than . The effective date shall be at least three months after the date of the order, and shall be July 1 next following its issuance but not less than 45 days from of an odd-numbered year date of the order .

(f) (e) Such other information as the county board may desire to include.

The auditor shall within ten days from its issuance serve a copy of the interlocutory order by mail upon the clerk of the district proposed for dissolution and upon the clerk of each district to which it is proposed to attach any territory by the order and upon the auditor of each other county in which all or any part of the district proposed for dissolution or any district to which it is proposed to attach territory lies, and upon the commissioner.

Sec. 17. Minnesota Statutes 1976, Section 122.22, Subdivision 14, is amended to read:

Subd. 14. The results of each election shall be certified by the

board to the auditor. If a majority of all votes cast on each question at the election approve the interlocutory order and favor the assumption of the debt, the interlocutory order becomes final and effective as of the date of the election or the date specified in the order whichever is later. Each person served with the interlocutory order shall be so notified.

Sec. 18. Minnesota Statutes 1976, Section 122.22, is amended by adding a subdivision to read:

Subd. 20. If the dissolved district is not divided by the order of dissolution and attachment, all of its current assets and liabilities, real and personal, and all its legally valid and enforceable claims and contract obligations shall pass to the district to which it is attached, except as provided in section 122.532. If the district to be dissolved is divided by the interlocutory order of dissolution and attachment, the commissioner shall, within 30 days after the interlocutory order is issued, issue his order for the distribution of its current assets and liabilities, real and personal. If the commissioner's order provides for the transfer of an interest in real estate to a district, this order may also impose a dollar amount as a claim against that district in favor of other districts and this claim shall be paid and enforced in the manner provided by law for the payment of judgments against a district. The obligations of districts to the teachers employed by the dissolved district shall be governed by the provisions of section 122.532.

Sec. 19. Minnesota Statutes 1976, Section 122.23, Subdivision 2, is amended to read:

Subd. 2. Upon a resolution of a school board in the area proposed for consolidation or upon receipt of a petition therefor executed by 25 percent of the voters resident in the area proposed for consolidation or by 50 such voters, whichever is lesser, the county auditor of the county which contains the greatest land area of the proposed new district shall forthwith cause a plat to be prepared. The resolution or petition shall show the approximate area proposed for consolidation. The resolution or petition may propose either that the bonded debt of the component districts will be paid according to the levies previously made for that debt under chapter 475, as provided in subdivision 16a, or that the taxable property in the newly created district will be taxable for the payment of the bonded debt previously incurred by any component district as provided in subdivision 16b. The resolution or petition may also propose that the board of the newly created district consist of seven members, and may also propose the establishment of separate election districts from which school board members will be elected, the boundaries of these election districts, and the initial term of the member elected from each of these election districts. If more than one request for a plat is received by a county auditor and the requests involve parts of identical districts, he shall forthwith prepare a plat which in his opinion best serves the educational interests of the inhabitants of the districts or areas affected. The plat shall show:

(a) Boundaries of the proposed district, as determined by the county auditor, and present district boundaries,

(b) The location of school buildings in the area proposed as a new district and the location of school buildings in adjoining districts,

(c) *The boundaries of any proposed separate election districts, in accordance with the provisions of section 123.32, and*

(d) Other pertinent information as determined by the county auditor.

Sec. 20. Minnesota Statutes 1976, Section 122.23, Subdivision 3, is amended to read:

Subd. 3. A supporting statement to accompany the plat shall be prepared by the county auditor. The statement shall contain:

(a) The *adjusted* assessed valuation of property in the proposed district,

(b) If a part of any district is included in the proposed new district, the *adjusted* assessed valuation of the property and the approximate number of pupils residing in the part of the district included shall be shown separately and the *adjusted* assessed valuation of the property and the approximate number of pupils residing in the part of the district not included shall also be shown,

(c) The reasons for the proposed consolidation, "including a statement that at the time the plat is submitted to the state board of education, no proceedings are pending to dissolve any district involved in the plat unless all of the district to be dissolved and all of each district to which attachment is proposed is included in the plat,"

(d) A statement showing that the jurisdictional fact requirements of subdivision 1 are met by the proposal,

(e) *Any proposal contained in the resolution or petition regarding the disposition of the bonded debt of component districts,*

~~(e)~~ (f) Any other information the county auditor desires to include, and

~~(f)~~ (g) The signature of the county auditor.

Sec. 21. Minnesota Statutes 1976, Section 122.23, Subdivision 6, is amended to read:

Subd. 6. The state board shall, upon receipt of a plat, forthwith examine it and approve, modify or reject it. *The state board shall also approve or reject any proposal contained in the resolution or petition regarding the disposition of the bonded debt of the component districts. If the plat shows the boundaries of proposed separate election districts and if the state board modifies the plat, the state board shall also modify the boundaries of the proposed separate election districts.* Prior thereto the state board or a member thereof or the commissioner or assistant commissioner as designated by the state board shall conduct a hearing at the nearest

county seat in the area upon reasonable notice to the affected districts and county boards if requested within 20 days after submission of the plat. Such a hearing may be requested by the board of any affected district, a county board of commissioners, or the petition of 20 resident voters living within the area proposed for consolidation. ~~It~~ *The state board shall endorse thereon on the plat its action regarding any proposal for the disposition of the bonded debt of component districts and its reasons for its actions and within 60 days of the date of the receipt of the plat, it shall return it to the county auditor who submitted it. He* *The state board shall furnish a copy of that plat, and the supporting statement and his* *its* endorsement to the auditor of each county containing any land area of the proposed new district. If land area of a particular county was included in the plat, as submitted by the county auditor, and all of such land area is excluded in the plat as modified and approved, the state board shall also furnish a copy of the modified plat, supporting statement, and ~~his~~ *its* endorsement to the auditor of such county.

Sec. 22. Minnesota Statutes 1976, Section 122.23, Subdivision 13, is amended to read:

Subd. 13. If a majority of the votes cast on the question at the election approve the consolidation, and if the necessary approving resolutions of boards entitled to act on the plat have been adopted, the county auditor shall, within ten days of the election or of the expiration of the period during which an election can be called, issue his order setting a date not later than July 1 next following the election for the effective date of the change. *The effective date shall be at least three months after the day when the date must be set, and shall be July 1 of an odd-numbered year.* He shall mail or deliver a copy of such order to each auditor holding a copy of the plat and to the clerk of each district affected by the order and to the commissioner. If the election fails, the proceedings are terminated and the county auditor shall so notify the commissioner and the auditors and the clerk of each school district affected.

Sec. 23. Minnesota Statutes 1976, Section 122.23, Subdivision 15, is amended to read:

Subd. 15. If no district is divided by virtue of the proceedings, all of the assets, real and personal, of the districts involved and all legally valid and enforceable claims and contract obligations of the districts pass to the new district, *except as provided in section 122.532.* If a district is divided by virtue of the proceedings, upon receipt of the order of the commissioner, the auditor of the county containing the greatest land area of the new district shall present a copy of the plat and supporting statement and orders issued in the proceedings to the commissioner, together with such information as is available to him concerning the assets and liabilities not secured by bonds of each district, any part of which is included in the newly created district. Thereafter within 30 days the commissioner shall issue his order providing for a division of the assets and liabilities of the districts involved and apportioning and divid-

ing these assets and liabilities according to such terms as he may deem just and equitable. In making this division of assets and liabilities, the commissioner may consider the amount of bonded debt to be assumed by property in each area under the provisions of this section. If the order of consolidation transfers any real estate interest to the new district or to another district, the order apportioning assets and liabilities may impose a dollar claim on the district receiving the real estate in favor of any other district involved in an amount not exceeding the reasonable value of the real estate interest involved, which claim shall be paid in the manner provided by law for the enforcement of judgments.

Sec. 24. Minnesota Statutes 1976, Section 122.23, Subdivision 16, is amended to read:

Subd. 16. As of the effective date of the consolidation, the bonded debt of all component districts shall be paid according to the plan for consolidation proposed in the approved plat, pursuant to the provisions of subdivision 16a or 16b, as applicable.

Subd. 16a. If the plan for consolidation so provides, the bonded debt of all component districts shall be paid according to levies previously made for that debt under chapter 475. In this case, the obligation of the taxable property in the component districts with reference to the payment of such bonded debt is not affected by the consolidation.

Subd. 16b. If the plan for consolidation so provides or makes no provision for the disposition of bonded debt, all the taxable property in the newly created district is taxable for the payment of any bonded debt theretofore incurred by any component district in the proportion which the assessed valuation of that part of a pre-existing district which is included in the newly created district bears to the assessed valuation of the entire pre-existing district as of 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 county board commissioner dividing the assets and liabilities of the component parts. This subdivision shall not relieve any property from any tax liability for payment of any bonded obligation but taxable property in the newly created district becomes primarily liable for the payment of bonded debts to the extent of the proportion stated.

Subd. 16c. The board of the newly created district, when constituted as provided in subdivision 17, may provide for an election of that district on the issuance of bonds, and may issue and sell bonds authorized at such an election, or bonds authorized at an election previously held in any pre-existing district wholly included within the newly created district, or bonds for a purpose for which an election is not required by law. Such actions may be taken at any time after the date of the county auditor's order issued under subdivision 13, and before or after the date upon which the consolidation becomes effective for other purposes, and taxes for the payment of any such bonds shall be levied upon all taxable property in the newly created district; except that no bonds shall be delivered to purchasers until 30 days after the date

of the county auditor's order. If within this period a notice of appeal from the county auditor's order to the district court is filed in accordance with section 127.25, no bonds shall be delivered by the newly created district to purchasers until and unless the county auditor's order is affirmed by final order of the district court in such special proceeding, and a period of 30 days from the service of such final order expires without an appeal to the supreme court being commenced or, if an appeal is taken, the order is affirmed by the supreme court; except that 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 such territory comprises 90 percent or more of the assessed valuation of all taxable property in the newly created district, the board may issue, sell, and deliver any bonds voted by the pre-existing independent district and any bonds voted or otherwise authorized by the newly created district, notwithstanding the pendency of any such appeal, and such bonds shall be paid by the levy of taxes upon the property within the territory of the pre-existing independent district and within such other areas, if any, as may be finally determined to be properly included within the newly created district. In any election held in the newly created district as authorized in the preceding sentence, all qualified electors residing within the area of that district as defined in the county auditor's order shall be entitled to vote, but the votes cast by residents of former districts or portions of former districts included in such area, other than the independent district maintaining the secondary school, shall be received and counted separately; and the bonds shall not be issued and sold unless authorized by a majority of the votes cast thereon by electors of the independent district maintaining the secondary school, and also by a majority of the votes cast thereon by electors residing within the entire area of the newly created district.

Sec. 25. Minnesota Statutes 1976, Section 122.23, Subdivision 18, is amended to read:

Subd. 18. (a) If no board is provided for under the foregoing provision, upon receipt of the assigned identification number, the county auditor shall determine a date, not less than 20 nor more than 60 days from the date of the receipt by him of the assigned identification number, upon which date shall be held a special election in the district for the purpose of electing a board of six members for terms as follows: two until the July following the next annual election *1 one year after the effective date of the consolidation*, two until the expiration of one year from said July 1, and two until the expiration of two years from said July 1, to hold office until a successor is elected and qualifies according to provisions of law governing the election of board members in independent districts. *If the resolution or petition for consolidation pursuant to subdivision 2 proposed that the board of the newly created district consists of seven members, then seven members shall be elected at this election for the terms provided in this clause except that three members shall hold office until the expiration of two years from said July 1. If the resolution or petition for*

consolidation pursuant to subdivision 2 proposed the establishment of separate election districts, these members shall be elected from separate election districts according to the provisions of that resolution or petition and of section 123.32.

(b) The county auditor shall give ten days' posted notice of election in the area in which the election is to be held and also if there be a newspaper published in the proposed new district, one weeks' published notice shall be given. The notice shall specify the time, place and purpose of the election.

(c) The county may pay the election judges not to exceed \$1 per hour for their services.

(d) Any person desiring to be a candidate for a school election shall file an application with the county auditor to have his name placed on the ballot for such office, specifying the term for which the application is made. The application shall be filed not less than 12 days before the election.

(e) The county auditor shall prepare, at the expense of the county, necessary ballots for the election of officers, placing thereon the names of the proposed candidates for each office. The ballots shall be marked and signed as official ballots and shall be used exclusively at the election. The county auditor shall determine the number of voting precincts and the boundaries of each. He shall determine the location of polling places and the hours the polls shall be open. He shall appoint three election judges for each polling place who shall act as clerks of election. Election judges shall certify ballots and results to the county auditor for tabulation and canvass.

(f) Upon canvass and tabulation by the county auditor he shall issue a certificate of election to the candidate for each office who received the largest number of votes cast for the office. He shall deliver such certificate to the person entitled thereto by registered mail, and each person so certified shall file an acceptance and oath of office with the county auditor within 30 days of the date of mailing of the certificate. A person who fails to qualify prior to the time specified shall be deemed to have refused to serve, but such filing may be made at any time before action to fill vacancy has been taken.

(g) The board of each district included in the new enlarged district shall continue to maintain school therein until July 1 next following, *but the effective date of the consolidation.* Such boards shall have power and authority only to make such contracts and, to do such things as are necessary to maintain properly the schools for the period they may be in session prior to said first day of July that date, and to certify to the county auditor according to levy limitations applicable to the component districts the taxes collectible in the calendar year when the consolidation becomes effective.

(h) It shall be the immediate duty of the newly elected board of the new enlarged district, when the members thereof have qualified and the board has been organized, to plan for the main-

tenance of the school or schools of the new district for the next school year and , to enter into the necessary *negotiations and contracts for the employment of personnel, purchase of equipment and supplies, and other acquisition and betterment purposes and , when authorized by the voters to issue bonds under the provisions of chapter 475; and on said July 1 the effective date of the consolidation* to assume the full duties of the care, management and control of the new enlarged district. The board of the new enlarged district shall give due consideration to the feasibility of maintaining such existing attendance centers and of establishing such other attendance centers, especially in rural areas, as will afford equitable and efficient school administration and assure the convenience and welfare of the pupils residing in the enlarged district. *The obligations of the new board to teachers employed by component districts shall be governed by the provisions of section 122.532.*

Sec. 26. Minnesota Statutes 1976, Chapter 122, is amended by adding a section to read:

[122.531] [LEVY LIMITATIONS OF REORGANIZED DISTRICTS.] *Subdivision 1. As of the effective date of the involuntary dissolution of a district and its attachment to one or more existing districts pursuant to sections 122.32, or 122.41 to 122.52, the authorization for any referendum levy previously approved by the voters of the dissolved district in that district pursuant to section 275.125, subdivision 2a, clause (4), or its predecessor or successor provision, is cancelled. The authorization for any referendum levy previously approved by the voters of a district to which all or part of the dissolved district is attached, shall not be affected by the attachment and shall apply to the entire area of the district as enlarged by the attachment.*

Subd. 2. As of the effective date of a consolidation pursuant to section 122.23 or the voluntary dissolution of a district and its attachment to one or more existing districts pursuant to section 123.22, the authorization for all referendum levies previously approved by the voters of all affected districts for those districts pursuant to section 275.125, subdivision 2a, clause (4), or its predecessor or successor provision, is cancelled. However, if all of the territory of any independent district is included in the newly created district, and if the adjusted assessed valuation of taxable property in that territory comprises 90 percent or more of the adjusted assessed valuation of all taxable property in a newly created or enlarged district, the board of the newly created or enlarged 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 or enlarged district. Any new referendum levy shall be certified only after approval is granted by the voters of the entire newly created or enlarged district in an election pursuant to section 275.125, subdivision 2a, clause (4), or its successor referendum provision.

Subd. 3. (1) In the year when any consolidation of districts or dissolution of a district and its attachment to one or more existing districts pursuant to chapter 122 becomes effective, any newly

created or enlarged district may levy an amount per pupil unit which is equal to the sum of the products of the amounts per pupil unit levied pursuant to section 275.125, subdivision 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 or enlarged district in the year of the levy, divided by the total number of pupil units in the newly created or enlarged district in the year of the levy.

(2) In each year thereafter, the newly created or enlarged district may levy the same amount per pupil unit as allowed by clause (1).

(3) The provisions of section 275.125, subdivision 6 or 7, shall not apply to any district affected by the provisions of this subdivision.

(4) 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).

Subd. 4. As of the effective date of a consolidation of districts or the dissolution of a district and its attachment to one or more existing districts pursuant to chapter 166, and subject to the conditions of section 275.125, subdivision 9a, all the taxable property which is in the newly created or enlarged district and which was previously taxable for the payment of any statutory operating debt theretofore incurred by any pre-existing district of which the taxable property was a part prior to the consolidation or dissolution and attachment shall remain taxable for the payment of that debt and shall not become taxable for the payment of any statutory operating debt theretofore incurred by any pre-existing district of which the taxable property was not a part prior to the consolidation or dissolution and attachment. The amount of statutory operating debt attributable to that taxable property and to the newly created or enlarged district in which it is located, and the amount of a pre-existing district's appropriated fund balance reserve account for purposes of reducing statutory operating debt attributable to the newly created or enlarged district, 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 or dissolution and attachment. 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 districts. As used in this section, "statutory operating debt" shall have the meaning given it in section 121.914.

Sec. 27. Minnesota Statutes 1976, Chapter 122, is amended by adding a section to read:

[122.532] [EMPLOYEES OF REORGANIZED DISTRICTS.]
Subdivision 1. For purposes of this section, the term "teacher" shall have the meaning attributed to it in section 125.12, subdivision 1.

Subd. 2. As of the effective date of any consolidation or the dissolution of any district and its attachment to one or more existing districts, each teacher employed by an affected district shall be assigned to the newly created or enlarged district in which is located the building where that teacher was primarily employed prior to the consolidation or dissolution and attachment.

Subd. 3. The organization certified as the exclusive bargaining representative for the teachers in the particular pre-existing district which employed the largest proportion of the teachers who are assigned to a new employing district according to subdivision 2 shall be certified as the exclusive bargaining representative for the teachers assigned to that new employing district, until that organization is decertified or another organization is certified in its place pursuant to sections 179.61 to 179.77. If no new contract has been executed as of the effective date of the consolidation or dissolution and attachment, the terms and conditions of employment of teachers assigned to the new employing district shall be temporarily governed by the contract executed by that exclusive bargaining representative and that particular pre-existing district, until a new contract is executed between the newly elected board or the board of the district to which a dissolved district is attached and the exclusive bargaining representative. For purposes of negotiation of a new contract with the board of the new employing district and the certification of an exclusive bargaining representative for purposes of that negotiation, the teachers assigned to that district shall be considered an appropriate unit of employees of that district as of the date the county board orders its interlocutory order of dissolution and attachment to be final and effective or as of the date the commissioner assigns an identification number to a new district created by consolidation. During the school year before the consolidation becomes effective, the newly elected board or the board of the district to which a dissolved district is attached, may place teachers assigned to it on unrequested leave of absence as provided in section 125.12 according to: (a) a plan negotiated in a new master contract between it and the exclusive bargaining representative of the teachers assigned to it, or (b) if no such plan exists, an applicable plan negotiated in the contract which according to this subdivision will temporarily govern the terms and conditions of employment of teachers assigned to it, or (c) if no plan exists pursuant to either (a) or (b), the provisions of section 125.12, subdivision 6b, on the basis of a combined seniority list of all teachers assigned to it.

Subd. 4. Except as provided in this section, the provisions of section 125.12 or 125.17 shall apply to the employment of each teacher by the new employing district on the same basis as they would have applied to his employment if he had been employed by that new district before the effective date of the consolidation or dissolution and attachment. For the purpose of applying the provisions of subdivision 3, clause (b), and the provisions of section 125.12, subdivision 6b, pursuant to this section, a teacher's date of first employment shall be the date he began continuous employment in the pre-existing district which employed him.

Sec. 28. Minnesota Statutes 1976, Chapter 122, is amended by adding a section to read:

[122.533] [EXPENSES OF TRANSITION.] *The newly elected board of a newly created district pursuant to section 122.23 or the board of a district to which a dissolved district is attached pursuant to section 122.22, may, for the purpose of paying the expenses of negotiations and other administrative expenses relating to the transition, enter into agreements with banks or any person to take its orders at any rate of interest not to exceed seven percent per annum. These orders shall be paid by the treasurer of the district from district funds after the effective date of the consolidation or dissolution and attachment. Notwithstanding the provisions of section 275.125, the district may, in the year the consolidation or dissolution and attachment becomes effective, levy an amount equal to the amount of the orders issued pursuant to this subdivision and the interest on these orders. No district shall issue orders for funds or make a levy pursuant to this subdivision without the commissioner's approval of the expenses to be paid with the funds from the orders and levy.*

Sec. 29. Minnesota Statutes, 1977 Supplement, Section 122.85, Subdivision 1, is amended to read:

122.85 [EXPERIMENTAL PAIRING.] Subdivision 1. Notwithstanding the provisions of sections 122.41 and 122.43, the board of any school district paired with another in this section upon approval by the school boards of both of the paired districts may enter into an agreement providing for the discontinuance by one district of any of grades kindergarten through 12 or portions of those grades and the instruction in the other district of the pupils in the discontinued grades or portions of grades. This provision shall apply on an experimental basis to the following pairs of school districts: Independent School Districts No. 217 and No. 220, No. 243 and No. 245, No. 328 and No. 516, No. 440 and No. 444, No. 649 and No. 650, No. 654 and No. 655, No. 782 and No. 783, and No. 893 and No. 896. These experimental pairing agreements shall not extend beyond June 30, 1980.

Sec. 30. Minnesota Statutes, 1977 Supplement, Section 122.85, Subdivision 6, is amended to read:

Subd. 6. Each district entering into an agreement pursuant to subdivision 1 shall continue to provide transportation and collect transportation aid for its resident pupils pursuant to sections 123.39, 124.222 and 124.223. This subdivision shall not be construed to prohibit a district from providing some or all transportation to its resident pupils by contracting with the other district which has entered the agreement. For purposes of aid calculations pursuant to section 124.222, the commissioner may adjust the base cost per eligible pupil transported to reflect changes in costs resulting from the any agreement which provides for each district to discontinue at least one grade.

Sec. 31. 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. 32. 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 subsequently be examined by a public accountant paid by the school district as provided in section 121.908, subdivision 3. 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. 33. 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 and in the amount deemed necessary by and at the discretion of the school board.

Sec. 34. 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. 35. 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. 36. 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 garage within 12 miles of the principal office of the school district. School district owned buses and the operators thereof shall otherwise comply with the provisions of section 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. 37. 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 additional 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 additional 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. 38. 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 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 direc-

tion 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, 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. 39. 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 required, 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. 40. 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 ; :

(a) *For handicapped pre-kindergarten pupils, as defined in section 120.03, enrolled in programs approved by the commissioner, one-half pupil unit;*

(b) 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

(c) For 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 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 quotient obtained when the sum of the numbers of actual pupil units in the district for the two prior years and the current year and one quarter of the number of actual pupil units in the district for the third prior year, is divided by 3.25* 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. 41. Minnesota Statutes, 1977 Supplement, Section 124.17, Subdivision 2, is amended to read:

Subd. 2. Membership for pupils in grades kindergarten through twelve and for handicapped pre-kindergarten pupils shall mean the number of pupils on the current roll of the school, counted from the date of entry until withdrawal. The date of withdrawal shall mean the day the pupil permanently leaves the school or the date it is officially known that the pupil has left or has been legally excused; provided that any pupil, regardless of age, who has been absent from school without a legally justifiable excuse for 15 consecutive school days *without receiving instruction in the home or hospital* shall be dropped from the roll and classified as withdrawn. Nothing in *Extra Session Laws 1971, Chapter 31, this section* shall be construed as waiving the compulsory attendance provisions cited in section 120.10. Average daily membership shall equal the sum for all pupils of the number of days of the school year each pupil is enrolled in the district's schools divided by the number of days said schools are in session. For districts operating 12 months schools, days schools are in session shall mean the number of session days required by section 124.10, subdivision 1.

Sec. 42. 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 school is in session but pupils are prevented from attending 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. A lawful employees' strike is not a justifiable cause for purposes of this subdivision.

Sec. 43. Minnesota Statutes 1976, Section 124.17, Subdivision 3, is amended to read:

Subd. 3. In computing pupil units for a prior year, the number of pupil units shall be adjusted to reflect any change for the current year in relative weightings by grade level or category of special assistance and , any change in measurement from average daily attendance to average daily membership *and any change in school district boundaries* , but not for the addition for the first time in the current year of a specified category of special assistance as provided in subdivision 1, clause (4).

Sec. 44. Minnesota Statutes, 1977 Supplement, Section 124.19, Subdivision 1, is amended to read:

124.19 [REQUIREMENTS FOR AID GENERALLY.] Subdivision 1. Every district which receives special state aid shall maintain school or provide instruction in other districts, in state university laboratory school or in the university laboratory school, at least a minimum term as defined by the state board. The normal school year when school is in session shall be not less than 175 days , or their equivalent *in a district operating a flexible school year program* . A district which holds school for that period and is otherwise qualified is entitled to special state aid as by law provided. If school is held a less period such special state aid shall be reduced by the ratio that the difference between 175 days and the number of days school is held bears to 175 days, multiplied by 60 percent of the product of the district's foundation aid formula allowance times its pupil units for that year; but districts maintaining less than the required minimum number of days of school in session do not lose special state aid if the circumstances causing such loss of school time below the required minimum number of days were beyond the control of the board and provided proper evidence has been submitted and a good faith attempt made to make up time lost on account of these circumstances. Days devoted to teachers' institutes or other meetings authorized or called by the commissioner may not be included as part of the required minimum number of days of school in session. Effective the 1977-1978 school year, not more than five days may be devoted to parent-teacher conferences or teachers' workshops as part of the required minimum number of days school is in session.

Sec. 45. Minnesota Statutes 1976, Section 124.20, is amended to read:

124.20 [EDUCATION; STATE AID; SUMMER SCHOOL AND FLEXIBLE SCHOOL YEAR CLASSES.] Foundation aid for (1) summer school classes which are not a part of the regular school term in hospitals, sanatoriums, and home instruction programs, (2) inter-session classes of flexible school year programs and , (3) summer school classes in elementary and second

dary schools, and ~~(3)~~ (4) summer school instruction in teachers college laboratory schools or in the university laboratory school, shall be paid at a proportionate rate for foundation aids paid for the preceding regular school year ; ; provided that no district shall receive aid for programs under this section in an amount greater than its actual expenditures for these programs ; *provided further, that for purposes of computing summer school foundation aid, a district's foundation aid for the regular school year shall be reduced by the amount of the agricultural tax credit included in that foundation aid .* Payments of aid for summer classes at a proportionate rate to foundation aid pursuant to this section in 1972 and preceding years are hereby sanctioned. The provision in this section for payment of aid for summer classes at a proportionate rate to foundation aid for the preceding school year shall apply to summer classes in 1973 and subsequent years.

Sec. 46. 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. 47. Minnesota Statutes 1976, Section 124.212, is amended by adding a subdivision to read:

Subd. 6c. For the 1979-1980 school year a district shall receive in foundation aid \$1,155 per pupil unit less 27 mills times the 1977 adjusted assessed valuation of the district, plus the amount of the agricultural tax credit by which 1978 payable 1979 property taxes in the district are reduced pursuant to section 273.132.

Sec. 48. Minnesota Statutes, 1977 Supplement, Section 124.212, Subdivision 7b, is amended to read:

Subd. 7b. For the 1978-1979 school year a district shall receive in foundation aid \$1,090 \$1,095 per pupil unit less 28 mills times the 1976 adjusted assessed valuation of the district, plus the amount of the agricultural tax credit by which 1977 payable 1978 property taxes in the district are reduced pursuant to section 273.132.

Sec. 49. Minnesota Statutes 1976, Section 124.212, is amended by adding a subdivision to read:

Subd. 7c. For the 1980-1981 school year a district shall receive in foundation aid \$1,220 per pupil unit less 27 mills times the 1978 adjusted assessed valuation of the district, plus the amount of the agricultural tax credit by which 1979 payable 1980 property taxes in the district are reduced pursuant to section 273.132.

Sec. 50. 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. 51. 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 if possible, notify the district of attendance, the district of residence, and the commissioner of education of its intention.*

Sec. 52. Minnesota Statutes, 1977 Supplement, Section 124.213, Subdivision 1, is amended to read:

124.213 [AID RECAPTURE.] Subdivision 1. 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 (a) the district's foundation aid formula allowance for the corresponding school year under section 124.212 and (b) the number of pupil units computed for the district under section 124.17 for that school year, an amount equal to the difference between *the sum of the levy as certified plus the amount of any reductions pursuant to section 275.125, subdivision 9, of the maximum levy*, and the specified product shall be deducted in the following order from the aids for the purposes specified receivable during the same school year pursuant to the following sections: (1) transportation aid pursuant to section 124.222; (2) secondary vocational aid pursuant to section 124.57 or 124.573; (3) special education aid pursuant to section 124.32. This section shall apply to school years commencing with the 1977-1978 school year; provided, deductions pursuant to this section shall be limited to the following percentages of the difference between the specified pro-

duct and the certified levy in the school years indicated: 20 percent of the difference in the 1977-1978 school year ; and 60 percent of the difference in the 1978-1979 school year ; and 100 percent of the difference in the 1979-1980 school year and each school year thereafter .

Sec. 53. Minnesota Statutes, 1977 Supplement, Section 124.213, Subdivision 2, is amended to read:

Subd. 2. For the 1977-1978 school year, the foundation aid formula allowance shall equal the lesser of \$1,030 or the sum of the greater sum computed pursuant to section 124.212, subdivision 7b, clause (2), and the greater of (a) five-sixths of the difference that results when such greater sum is subtracted from \$1,030, or (b) \$70. The foundation aid formula allowance shall be ~~\$1,000~~ \$1,095 for the 1978-1979 school year.

Sec. 54. 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 changed 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 changed valuations, the county auditor shall, prior to February 1 of each year, beginning in 1979, certify to the commissioner of education the amount of any resulting net revenue loss that accrued to the school district during the preceding year. In August of each year, beginning in 1979, when the district's net revenue loss during the preceding year exceeds \$1 per pupil unit in the district in the most recent school year for which data is available, the commissioner shall pay an abatement adjustment to the district in an amount calculated according to the provisions of this subdivision. This amount shall be deducted from the amount of the levy authorized by section 275.48. The amount of the abatement adjustment shall be the product of (1) the net revenue loss as certified by the county auditor, times (2) the ratio of the sum of the amounts of the district's levy limitations in the preceding October pursuant to section 275.125, subdivision 2a, clause (1) or (2), subdivision 5, and subdivision 13, to the total amount of the district's maximum levy limitation in the preceding October pursuant to section 275.125. The abatement adjustment shall be recognized as revenue in the fiscal year in which it is received.

Sec. 55. 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. 56. 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 subdivi-

sion, the department shall examine the appropriate factors that relate to the determination of the authorized transportation costs and aid for that district.

Sec. 57. 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 second 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, *and necessary transportation for resident handicapped pupils required by section 120.17, subdivision 4a* ;

(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, *and necessary transportation required by section 120.17, subdivision 9 for resident handicapped pupils who are provided special instruction and services on a shared time basis* ;

(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 or secondary vo-*

cational classes not provided at a secondary vocational center which are 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. 58. Minnesota Statutes, 1977 Supplement, Section 124.32, Subdivision 1, is amended to read:

124.32 [HANDICAPPED CHILDREN.] Subdivision 1. The state shall pay to any district:

(a) For the employment in its educational program for handicapped children, 60 percent of the salary of essential personnel in 1977-1978 and 65 69 percent of the salary of essential personnel in 1978-1979, but this amount shall not exceed \$11,500 in 1977-1978 or \$12,000 in 1978-1979 for the normal school year for each full time person employed, or a pro rata amount for a part time person or a person employed for a limited time, whether the essential personnel are employed by a district alone or jointly with another district;

(b) Plus five percent of the salaries of essential personnel employed in its educational program for handicapped children, for the purpose of recognizing additional support costs of educational programs for handicapped children.

Sec. 59. Minnesota Statutes, 1977 Supplement, Section 124.32, Subdivision 1a, is amended to read:

Subd. 1a. For purposes of this section, for the 1977-1978 school year, the foundation aid formula allowance per pupil unit shall be the lesser of \$1,030 or the greater sum computed pursuant to section 124.212, subdivision 6b, clause (2). For the 1978-1979 school year, The foundation aid formula allowance per pupil unit shall be \$1,090 \$1,095 for the 1978-1979 school year; \$1,155 for the 1979-1980 school year, and \$1,220 for the 1980-1981 school year. Computations of foundation aid formula allowances pursuant to this section shall be based on the foundation aid formula allowance per pupil unit in the child's district of residence. For the purposes of computing foundation aid formula allowances pursuant to this section, each handicapped child shall be counted as prescribed in section 124.17, subdivision 1, clause (1) or (2).

Sec. 60. 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. 61. 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. 62. 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 receive 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 amount which the program will receive from grants from federal funds, or special grants from other state sources, and the pro-*

gram'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 withhold all or any portion of the aid for programs which receive grants from federal funds, or special grants from other state sources.* 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. 63. Minnesota Statutes, 1977 Supplement, Section 124.38, Subdivision 7, is amended to read:

Subd. 7. "Maximum effort debt service levy" means the lesser of:

(1) A levy in a total dollar amount computed as 20 mills on the adjusted assessed value; or

(2) A levy in whichever of the following amounts is applicable:

(a) In any school district which received a debt service or capital loan from the state before January 1, 1965, a levy in a total dollar amount computed as 4.10 mills on the market value in each year, unless the district applies or has applied for an additional loan subsequent to January 1, 1965, or issues or has issued bonds on the public market, other than bonds refunding state loans, subsequent to January 1, 1967;

(b) In any school district granted a debt service or capital loan between January 1, 1965, and July 1, 1969, a levy in a total dollar amount computed as 5½ mills on the market value in each year, until and unless the district receives an additional loan; or

(c) In any school district granted a debt service or capital loan between July 1, 1969 and July 1, 1975, a levy in a total dollar amount computed as 6.3 mills on market value in each year until and unless the district has received an additional loan; or

(d) *In any school district which has an outstanding capital loan, a levy in a total dollar amount equal to the sum of the amount of the required debt service levy and an amount which when levied annually will in the opinion of the commissioner be sufficient to retire the remaining interest and principal on any outstanding loans from the state within 30 years of the original date when the capital loan was granted; provided, that the school board in any district affected by the provisions of clause (2)(d)*

may elect instead to determine the amount of its levy according to the provisions of clause (1); provided further that if a district's capital loan is not paid within 30 years because it elects to determine the amount of its levy according to the provisions of clause (2)(d), the liability of the district for the amount of the difference between the amount it levied under clause (2)(d) and the amount it would have levied under clause (1), and for interest on the amount of that difference, shall not be satisfied and discharged pursuant to section 124.43, subdivision 4.

Sec. 64. Minnesota Statutes, 1977 Supplement, Section 124.562, Subdivision 1, is amended to read:

124.563 [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 the state allocations of federal vocational funds, unless these grants are used to fund additional services beyond the normal program.~~

Sec. 65. 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. 66. 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. 67. Minnesota Statutes, 1977 Supplement, Section 124.572, Subdivision 2, is amended to read:

Subd. 2. In the 1977-1978 school year and thereafter, the state shall pay to any district or cooperative vocational center 75 percent of the salaries paid to essential, licensed personnel in that school year for services rendered in that district's or center's adult vocational education programs. In addition, the state shall pay 50 percent of the costs of necessary travel between instructional sites by adult vocational education teachers. The aid paid by the state for salaries 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 adult vocational education programs. *The commissioner may withhold all or any portion of this aid for an adult vocational education program which receives funds from any other source, and in no event shall a district or center receive a total amount of state aid for salaries and travel pursuant to this section which, when added to funds from other sources, will provide the program an amount for salaries and travel which exceeds 100 percent of the amount of its expenditures for salaries and travel in the program.*

Sec. 68. 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 1977-1978 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. 69. 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 and 50 percent of the costs of necessary travel by secondary vocational education teachers accompanying students to and from vocational student organization meetings held within the state for educational purposes . 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. The commissioner may withhold all or any portion of this aid for a secondary vocational education program which receives funds from any other source, and in no event shall a district or center receive a total amount of state aid pursuant to this section which, when added to funds from other sources, will provide the program an amount for salaries, equipment and travel which exceeds 100 percent of the amount of its expenditures for salaries, equipment and travel in the program.

Sec. 70. 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 incurred by essential, licensed personnel who meet the work experience requirements for licensure pursuant to the rules of the state plan board for vocational education.

Sec. 71. 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, 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. 72. 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. 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 or center's secondary vocational education programs for handicapped children; or

(b) 69 percent of the salaries paid to essential licensed personnel in that school year for services rendered in that district 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, but not including travel to and from local, regional, district, state or national vocational student organization meetings; 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, 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, the district or cooperative center contracting for these services shall be construed to be providing these services. For the purposes of subdivision 8, 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 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. 73. Minnesota Statutes 1976, Section 124.74, is amended to read:

124.74 [ENABLING RESOLUTION; FORM OF CERTIFICATES OF INDEBTEDNESS.] The board may authorize and effect such borrowing, and may issue such certificates of indebtedness upon passage of a resolution specifying the amount and purposes for which it deems such borrowing is necessary, which resolution shall be adopted by a vote of at least two thirds of its members. The board shall fix the amount, date, maturity, form,

denomination, and other details thereof, not inconsistent herewith, and shall fix the date and place for receipt of bids for the purchase thereof *when bids are required* and direct the clerk to give notice thereof.

Sec. 74. Minnesota Statutes 1976, Section 124.76, is amended to read:

124.76 [SALE OF CERTIFICATES; DISBURSEMENT OF PROCEEDS.] *Subdivision 1.* The clerk of the board shall give notice of the proposed sale as required by chapter 475. At the time and place so fixed, such certificates may be sold by the board, or its officers if authorized by the board, to the bidder who will agree to purchase the same on terms deemed most favorable to the district. Such certificates shall be executed and delivered as required by chapter 475. The money so received shall be disbursed solely for the purposes for which such taxes are levied or aids are receivable. The purchaser of such certificates shall not be obligated to see to such application of the proceeds.

Subd. 2. *Public sale of tax and aid anticipation certificates of indebtedness according to subdivision 1 shall not be required if the proposed borrowing is in an amount less than \$400,000, and if the sum of all outstanding tax and aid anticipation certificates issued by the board within the preceding six months does not exceed \$400,000. If no public sale is held, the certificates of indebtedness must be sold in accordance with the most favorable of two or more proposals solicited privately.*

Sec. 75. 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. 76. 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) (e) 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) (f) A teacher placed on unrequested leave of absence may engage in teaching or any other occupation during the period of this leave;

(h) (g) 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)~~ (h) 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, after which the right to reinstatement shall terminate; provided the teacher's right to reinstatement shall also terminate if he fails to file with the board by April 1 of any year a written statement requesting reinstatement;

~~(j)~~ (i) 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)~~ (j) 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. 77. 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 education 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. 78. 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 not use the cost factor as a reason for disapproval of that rule.

Sec. 79. Minnesota Statutes, 1977 Supplement, Section 125.60 Subdivision 2, is amended to read:

Subd. 2. The board of any district may 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 five years and has 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 . The maximum duration of an extended leaves leave of absence pursuant to this section shall be determined by mutual agreement of the board and the teacher at the time the leave is granted and shall not exceed be at least three but no more than 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. 80. Minnesota Statutes, 1977 Supplement, Section 125.60, is amended by adding a subdivision to read:

Subd. 2a. Any school board which denies a request for an extended leave of absence pursuant to this section shall report this denial and the reasons therefor to the commissioner within 30 days. Prior to February 1, 1979 and each year thereafter the commissioner shall file a written report with the education committees of the legislature on any denials reported pursuant to this subdivision.

Sec. 81. Minnesota Statutes, 1977 Supplement, Section 125.60, Subdivision 3, is amended to read:

Subd. 3. A teacher on an extended leave of absence pursuant to this section shall have the right to be reinstated to a position for which he is licensed at the beginning of any of the first five school years after his year which immediately follows a year of the extended leave of absence begins , unless he is discharged or placed on unrequested leave of absence or his contract is terminated pursuant to section 125.17 or 125.12 while he is on the extended leave. The board shall not be obligated to reinstate any teacher who is on an extended leave of absence pursuant to this section unless the teacher advises the board of his intention to return before February 1 in the school year preceding the school year in which he wishes to return. The board shall notify the commissioner within 30 days of being notified that a teacher intends to return from an extended leave.

Sec. 82. Minnesota Statutes, 1977 Supplement, Section 125.60, is amended by adding a subdivision to read:

Subd. 7. No school board shall grant an extended leave of absence pursuant to this section without applying for and receiving authorization from the commissioner of education. The commis-

sioner of education shall establish deadlines and procedures for applications pursuant to this subdivision and shall approve or disapprove applications pursuant to this subdivision within the limits of the appropriation for the purposes of sections 354.094 and 354A.091.

Sec. 83. 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 in elementary and secondary schools~~, and who has or will have attained the age of 55 years but less than 65 years as of the end of *June 30* in the school year during which an application for an early retirement incentive is made.

Sec. 84. Minnesota Statutes, 1977 Supplement, Section 125.61, is amended by adding a subdivision to read:

Subd. 1a. For purposes of this section, "retirement" means termination of services in the employing district and withdrawal from active teaching service.

Sec. 85. 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 *in the employing school district, withdrawal from active teaching service,* 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. 86. Minnesota Statutes, 1977 Supplement, Section 125.61, Subdivision 3, is amended to read:

Subd. 3. An eligible teacher who is or will be 55 years of age as of the end of the school year during which an application for an early retirement incentive is made and accepted shall receive an early retirement incentive in the amount of \$7,500. This amount shall be reduced by \$375 for each year that a teacher is over the age of 55 years to a maximum age of 60 years and by an additional \$1,125 for each year that a teacher is over the age of 60 years. The age of the teacher shall be determined as of the ~~end of June 30~~ *in the school year during which the application for the early retirement incentive is made.*

Sec. 87. Minnesota Statutes, 1977 Supplement, Section 125.61, Subdivision 4, is amended to read:

Subd. 4. The early retirement incentive shall be paid by the employing school district in four equal successive monthly installments commencing on November 1 of the year of retirement. The state shall reimburse the district for 10 25 percent of any amount or amounts paid out as an early retirement incentive pursuant to this section upon receipt of a proper claim therefor ~~accompanying the report required by subdivision 5~~ , according to the provisions of subdivision 6 . An early retirement incentive shall not be paid to any teacher who is discharged by a school district.

Sec. 88. Minnesota Statutes, 1977 Supplement, Section 125.61, Subdivision 6, is amended to read:

Subd. 6. No school board shall enter into an agreement for termination of services with an early retirement incentive without applying for and receiving authorization from the commissioner of finance education . The commissioner of finance education shall establish procedures for applications pursuant to this subdivision and shall approve or disapprove applications pursuant to this subdivision within the limits of the appropriation for the purposes of this section. Applications pursuant to this subdivision shall include the annual salaries which would be paid to the teachers for whom the applications are made if they did not retire and any other information required by the commissioner of education.

Sec. 89. Minnesota Statutes 1976, Section 126.12, is amended to read:

126.12 [SCHOOL CALENDAR.] The school shall be in session for not less than a minimum term, as defined by the state board, 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. 90. 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. 91. 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. 92. 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. 93. Minnesota Statutes 1976, Section 127.29, Subdivision 1, is amended to read:

127.29 [GROUNDS FOR DISMISSAL.] Subdivision 1. No school shall dismiss any pupil without attempting to provide alternative programs of education prior to dismissal proceedings, *except where it appears that the pupil will create an immediate and substantial danger to himself or to persons or property around him.* Such programs may include special tutoring, modification of the curriculum for the pupil, placement in a special class or assistance from other agencies.

Sec. 94. Minnesota Statutes 1976, Section 127.30, Subdivision 1, is amended to read:

127.30 [SUSPENSION PROCEDURES.] Subdivision 1. No suspension from school shall be imposed without an informal administrative conference with the pupil, except where it appears that the pupil will create an immediate and substantial danger to himself or to persons or property around him.

Sec. 95. 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 workers' compensation.

Sec. 96. Minnesota Statutes 1976, Section 128A.02, is amended by adding a subdivision to read:

Subd. 6. The rules of the state board pursuant to this section shall establish procedures for admission to and discharge from the schools, for decisions on a child's program at the schools and for evaluation of the progress of children enrolled in the schools. These procedures shall guarantee children and their parents appropriate procedural safeguards, including a review of the placement determination made pursuant to sections 120.17 and 128A.05, and the right to participate in educational program decisions.

Sec. 97. 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. 98. 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 employees 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. 99. Minnesota Statutes, 1977 Supplement, Section 176.011, Subdivision 9, is amended to read:

without a two-thirds majority vote of the electors cast at any annual or special school meeting called for the purpose.

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. 100. Minnesota Statutes 1976, Section 179.70, Subdivision 1, is amended to read:

179.70 [CONTRACTS; GRIEVANCES; ARBITRATION.]
Subdivision 1. A written contract or memorandum of contract containing the agreed upon terms and conditions of employment and such other matters as may be agreed upon by the employer and exclusive representative shall be executed by the parties. The

duration of the contract shall be negotiable except in no event shall contracts be for a term exceeding three years. Any contract between employer school board and an exclusive representative of teachers shall in every instance be for an initial term of one year commencing on July 1, 1974, through June 30, 1975, and thereafter for a term of two years beginning on July 1, of each odd-numbered year. *For contracts effective July 1, 1979 or thereafter, the written contract executed by an employer school board and an exclusive representative of teachers shall contain the teachers' compensation including fringe benefits for the entire two year term and shall not contain a wage reopening clause or any other provision for the renegotiation of the teachers' compensation for the second year of the contract.* All contracts shall include a grievance procedure which shall provide compulsory binding arbitration of grievances. In the event that the parties cannot reach agreement on the grievance procedure, they shall be subject to the grievance procedure promulgated by the director pursuant to section 179.71, subdivision 5, clause (i).

Sec. 101. 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. 102. 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. 103. 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 For purposes of computations pursuant to this clause, the maximum levy allowable and the actual levy under clauses (1) and (2) shall be reduced increased 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 pursuant to this clause, the district shall notify the commissioner of education of the results of the referendum.

Sec. 104. 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 the greater of the dollar amount of the levy the district certified in 1977 under section 275.125, subdivision 2a, clause (1) or 107 percent of the sum of the following, but not to exceed the amount raised by 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

(b) 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

(c) 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 amount to which the district would actually have been entitled under sections 124.20, 124.212, 124.222, 124.32, 124.573 and 124.574, for the year to which the levy is attributable, 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 amount to which the district would actually have been entitled under sections 124.20, 124.212, 124.222, 124.32, 124.573 and 124.574, for the year to which the levy is attributable, 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 amount raised by the millage limitation in section 275.125, subdivision 2a, clause (1) or (2) for that year, the state shall pay the amount to which the district is entitled under sections 124.20, 124.212, 124.222, 124.32, 124.573 and 124.574, for that school year, which exceeds the amount raised by that millage limitation.

(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 under sections 124.20, 124.212, 124.222, 124.32, 124.573 or 124.574 to which the district is entitled for that school year which exceeds the amount raised by that millage limitation.

(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 124.20, 124.212, 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 124.20, 124.212, 124.222, 124.32, 124.573 and 124.574 to which it would otherwise have been entitled if its permitted levy had not been computed pursuant to this subdivision.

(7) Any district which is required to compute its permitted levy under this subdivision shall not be eligible to receive aid under sections 124.20, 124.212, 124.222, 124.32, 124.573 and 124.574 for the corresponding year except as authorized by this subdivision.

(8) 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.

(9) 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. 105. Minnesota Statutes, 1977 Supplement, Section 275.125, Subdivision 4, is amended to read:

Subd. 4. A school district may levy the amounts necessary to make payments for bonds issued and for interest thereon, including the bonds and interest thereon, issued as authorized by section 275.125, subdivision 3, clause (7) (C), as it read in Minnesota Statutes 1974; the amounts necessary for repayment of debt service loans and capital loans; the amounts necessary to pay the district's obligations under section 662; the amount authorized for liabilities of dissolved districts pursuant to section 122.45; the amounts necessary to pay the district's obligations under section 268.06, subdivision 25; and the amounts necessary to pay the district's obligations under section 127.05; *the amounts authorized by section 122.531; and the amounts necessary to pay the district's obligations under section 122.533.*

Sec. 106. 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. 107. Minnesota Statutes, 1977 Supplement, Section 275.125, Subdivision 11a, is amended to read:

Subd. 11a. (a) A school district may levy an amount not to exceed the amount equal to \$75 per pupil unit or, in districts where the pupil unit count is increased pursuant to section 124.17, subdivision 1, clause (7), \$80 per pupil unit. For purposes of computing allowable levies under section 275.125, pupil units shall include only those units identified in section 124.17, subdivision 1, clauses (1), (2), (4), (5), (6) and (7). No levy under this subdivision shall exceed 10 mills times the adjusted assessed valuation of the taxable property in the district for the preceding year, notwithstanding the provisions of sections 272.64 and 275.49.

(b) The proceeds of the tax may be used only to acquire land, to equip and reequip buildings and permanent attached fixtures, and to pay leasing fees for computer systems hardware, computer terminals and telecommunications equipment, and related proprietary software. The proceeds of the tax may also be used for capital improvement and repair of school sites, buildings and permanent attached fixtures, *energy assessments as required pursuant to section 116H.126*, and for the payment of any special assessments levied against the property of the district authorized pursuant to section 435.19 or any other law or charter provision authorizing assessments against publicly owned property; provided that a district may not levy amounts to pay assessments for service charges, including but not limited to those described in section 429.101, whether levied pursuant to that section or pursuant to any other law or home rule provision. The proceeds of the tax may also be used for capital expenditures for the purpose of reducing or eliminating barriers to or increasing access to school facilities by handicapped individuals.

(c) Subject to the commissioner's approval, the tax proceeds may also be used to rent or lease buildings for school purposes and to acquire or construct buildings. The state board shall promulgate rules establishing the criteria to be used by the commissioner in approving and disapproving district applications requesting the use of capital expenditure tax proceeds for the renting or leasing of buildings for school purposes and the acquisition or construction of buildings. The approval criteria for purposes of building acquisition and construction shall include: the appropriateness of the proposal with respect to the district's long term needs; the availability of adequate existing facilities; and the economic feasibility of bonding because of the proposed building's size or cost.

(d) The board shall establish a fund in which the proceeds of this tax shall be accumulated until expended.

(e) The proceeds of the tax shall not be used for custodial or other maintenance services.

Sec. 108. 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. 109. 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. 110. 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. 111. 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. 112. 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 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 the amount of taxes collected for such taxable year upon such reduced valuations. *The total tax levy authorized for a school district by this section shall be reduced by the total amount of any abatement adjustments received by the district pursuant to section 124.214, subdivision 2, in the same calendar year in which the levy is certified. Prior to September 15 of each year, the commissioner of education shall certify to each county auditor the amount of any abatement adjustments paid in that year to each school district in that county.*

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. 113. 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 194.212, subdivision 8a, 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 per 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 sulphides 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 sections 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. 114. 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 shall be included in computing the permissible levies of such city or school district under sections section 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 section 275.11 or 275.125. On or before October 10 of each calendar year each producer of semi-taconite 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 is to be used in computing, pursuant to sections section 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. 115. 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 gen-

eral 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 shall be included in computing the permissible amount of the levies of such city or school district under sections section 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 section 275.11 or 275.125.

Sec. 116. Minnesota Statutes, 1977 Supplement, Section 354.094, Subdivision 1, is amended to read:

354.094 [EXTENDED LEAVES OF ABSENCE.] Subdivision 1. If a member is granted an extended leave of absence pursuant to section 125.60, he may receive allowable service credit toward annuities and other benefits under this chapter, for each year of his leave by paying into the fund employee contributions during the period of the leave which shall not exceed five years. The employing district state shall pay employer contributions into the fund for each year for which a member who is on extended leave pays employee contributions into the fund. The employee and employer contributions shall be based upon the rates of contribution prescribed by section 354.42 for the salary received during the year immediately preceding the extended leave. Payments for the years for which a member is receiving service credit while on extended leave shall be made on or before June 30 of each fiscal year for which service credit is received.

Sec. 117. Minnesota Statutes, 1977 Supplement, Section 354.094, Subdivision 4, is amended to read:

Subd. 4. If a member who paid pays employee contributions into the fund for five years while on the agreed maximum duration of an extended leave does not resume teaching in the sixth first school year after the beginning of his extended leave that maximum duration has elapsed, he shall be deemed to cease to render teaching services beginning in that year for purposes of this chapter.

Sec. 118. Minnesota Statutes, 1977 Supplement, Section 354.66, Subdivision 1, is amended to read:

354.66 [QUALIFIED PART TIME TEACHERS; PARTICIPATION IN FUND.] Subdivision 1. As used in this section, the term "teachers" shall have the meaning given it in section 125.03, subdivision 1, but shall not include superintendents ; principals, assistant principals or other supervisory employees as defined in section 179.63, subdivision 9 .

Sec. 119. Minnesota Statutes, 1977 Supplement, Section 354.66, Subdivision 9, is amended to read:

Subd. 9. A district shall not assign a teacher to a part time teaching position qualifying for the continuation of contributions and accrual of service credit pursuant to this section without applying for and receiving the authorization of the commissioner of *finance education* . In cooperation with the boards of trustees of the appropriate retirement fund associations and within the limits of the amount appropriated for the purpose of this section, the commissioner of *finance education* shall approve or disapprove applications from districts for authorization to assign teachers to part time teaching positions qualifying for the continuation of contributions and accrual for service credit pursuant to this section.

Sec. 120. Minnesota Statutes, 1977 Supplement, Section 354A.091, Subdivision 1, is amended to read:

354A.091 [TEACHERS ON EXTENDED LEAVE.] Subdivision 1. Notwithstanding any provision of chapter 354A or the bylaws of an association relating to salary for contribution purposes or accrual of service credit to the contrary, an elementary or secondary school teacher in the public schools of a city of the first class who is granted an extended leave of absence pursuant to section 125.60 may receive allowable service credit toward annuities and other benefits under this chapter for each year of his leave by paying into the fund employee contributions during the period of the leave which shall not exceed five years. The *employing district state* shall pay employer contributions into the fund for each year for which a member who is on extended leave pays employee contributions into the fund. The employee and employer contributions shall be based upon the rates of contribution prescribed by section 354A.12, for the salary received during the year immediately preceding the leave. Payments for the years for which a member is receiving service credit while on extended leave shall be made on or before June 30 of each fiscal year for which service credit is received.

Sec. 121. Minnesota Statutes, 1977 Supplement, Section 354A.091, Subdivision 4, is amended to read:

Subd. 4. If a member who *paid pays* employee contributions into the fund for *five years while on the agreed maximum duration* of an extended leave does not resume teaching in the *sixth first* school year after the beginning of his extended leave *that maximum duration has elapsed* , he shall be deemed to cease to

render teaching services beginning in that year for purposes of this chapter and the bylaws of the retirement association.

Sec. 122. Minnesota Statutes, 1977 Supplement, Section 354A.-22, Subdivision 1, is amended to read:

354A.22 [QUALIFIED PART TIME TEACHERS; PARTICIPATION IN FUND.] Subdivision 1. As used in this section, the term "teachers" shall have the meaning given it in section 125.03, subdivision 1, but shall not include superintendents, principals assistant principals or other supervisory employees as defined in section 170.63, subdivision 9.

Sec. 123. Minnesota Statutes, 1977 Supplement, Section 354A.-22, Subdivision 9, is amended to read:

Subd. 9. A district shall not assign a teacher to a part time teaching position qualifying for the continuation of contributions and accrual of service credit pursuant to this section without applying for and receiving the authorization of the commissioner of *finance education*. In cooperation with the boards of trustees of the appropriate retirement fund associations and within the limits of the amount appropriated for the purpose of this section, the commissioner of *finance education* shall approve or disapprove applications from districts for authorization to assign teachers to part time teaching positions qualifying for the continuation of contributions and accrual of service credit pursuant to this section.

Sec. 124. *Notwithstanding the provisions of sections 88, 119 and 123 of this act, the commissioner of finance shall pay the remainder of the state's obligation pursuant to sections 125.61, 354.66 and 354A.22 for the fiscal year ending June 30, 1978.*

Sec. 125. 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 May 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. 126. [471.1911] *Agreements entered into by school districts pursuant to the provisions of 471.15 to 471.191 or Laws*

1967, Chapter 33, prior to May 15, 1978, without a referendum, are not void and are hereby validated.

Sec. 127. Minnesota Statutes 1976, Section 471.61, is amended by adding a subdivision to read:

Subd. 1b. Any school district which has entered into a self insurance plan or program prior to March 31, 1978 may elect to continue to provide the benefits authorized by subdivision 1, excluding life and long term disability insurance benefits, through a self insurance plan or program. Any plan or program of self insurance, adopted by a school district, shall provide for the purchase of excess of loss coverage from an insurance company, as defined in section 60A.02, subdivision 4, or a service plan corporation, as defined in section 62C.02, subdivision 6, covering any claims or losses incurred during the period covered by the self insurance plan aggregating in excess of \$500,000, or a lesser amount at the district's option.

This subdivision shall not operate to invalidate any contract providing self insured employee life and long term disability insurance benefits, if the school district entered into the contract prior to March 31, 1978.

This subdivision shall not authorize any school district to provide the benefits authorized by subdivision 1 through a self insurance plan or program after July 1, 1980.

Sec. 128. Minnesota Statutes 1976, Section 475.60, Subdivision 2, is amended to read:

Subd. 2. [REQUIREMENTS WAIVED.] The requirements as to public sale shall not apply to:

(1) Obligations issued under the provisions of a home rule charter or of a law specifically authorizing a different method of sale, or authorizing them to be issued in such manner or on such terms and conditions as the governing body may determine;

(2) Obligations sold by an issuer in an amount not exceeding the total sum of \$100,000 in any three month period;

(3) Obligations issued by a governing body other than a school board in anticipation of the collection of taxes or other revenues appropriated for expenditure in a single year, if sold in accordance with the most favorable of two or more proposals solicited privately; and

(4) Obligations sold to any board, department, or agency of the United States of America or of the state of Minnesota, in accordance with rules or regulations promulgated by such board, department, or agency.

Sec. 129. 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 recrea-

tional 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. 130. 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. 131. 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 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. 132. 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. 133. 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. 134. 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, opera-

tional, 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. 135. Laws 1977, Chapter 85, Section 1, is amended to read:

Section 1. [INDEPENDENT SCHOOL DISTRICT NO. 625; SEVERANCE PAY.] Any employee of Independent School District 625 who resigns or retires after ~~January 1, 1975~~ *December 25, 1974*, may be paid severance pay benefits not exceeding \$4,000 as provided by Laws 1975, Chapter 261, if the employee is otherwise eligible for benefits under a severance pay plan approved by the school board.

Sec. 136. [REPORT; DISEQUALIZING RESOURCES.] Subdivision 1. Prior to January 1, 1979, the commissioner shall file a written report with the appropriate education committees and subcommittees of the senate and the house of representatives on the amount of revenue 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 provisions of law: Minnesota Statutes, Sections 84A.51, Subdivision 4; 88.51; 88.52, Subdivision 4; 89.036; 90.50, Subdivision 5; 93.263, 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.

Subd. 2. In a separate section of this report, the commissioner shall also report on the amount of revenues derived by each district in the state for the designated school year pursuant to each of the following provisions of law: Minnesota Statutes, Sections 127.13; 219.97, Subdivision 13; 239.46; 273.42; 276.13; 276.14; 299G.08; 306.04; 334.02; 346.06; or any other county apportionment provision.

Subd. 3. In a separate section of this report, the commissioner shall also report on the amount distributed to each district in the state for the designated school years pursuant to each of the following provisions of law: Minnesota Statutes, 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 any other law distributing proceeds in lieu of ad valorem tax assessments on copper or nickel properties. Any statutory section listed in subdivision 1 distributing revenue which is included in the computations in section 124.212, subdivision 8a, clause (2), or section 275.125, subdivision 9, shall be incorporated in the report in this subdivision.

Subd. 4. In a separate section of this report, the commissioner shall also report on the amounts received by each district in the state for the designated school years from levies made pursuant

to section 275.125, subdivision 2a, clause (4), and subdivisions 6 and 7.

Sec. 137. [CONSOLIDATION PLAN; INDEPENDENT SCHOOL DISTRICTS NO. 326 AND 323.] *The boards of Independent School District No. 326 and Independent School District No 323, may by joint resolution modify the plan for consolidation of the two districts as proposed in the plat approved by the state board of education, by adding a proposal that:*

(a) *The board of the newly created district consist of seven members; and*

(b) *Separate election districts be established for the election of these members.*

This proposal shall designate the boundaries of the separate election districts in accordance with section 123.32 and the initial term of the member to be elected from each of these election districts. This proposal shall be effective as of the date the commissioner assigns an identification number to the newly created district pursuant to section 123.32, subdivision 14.

This section expires December 31, 1979.

Sec. 138. *The Minnesota state senate and the Minnesota state house of representatives are hereby authorized to obtain computer terminals for the purpose of gaining access to the statewide management information system provided for school districts through the Minnesota Educational Computing Consortium. Further, the Minnesota Educational Computing Consortium is directed to provide the staff of the senate and house of representatives with training for use of that system.*

Sec. 139. Subdivision 1. [RESIDENTIAL FACILITIES.] *The appropriation in Laws 1977, Chapter 447, Article III, Section 16, Subdivision 2, for fiscal year 1978, includes not to exceed the amount of \$50,000 for the purpose of aid pursuant to section 124.32, subdivision 5 in 1978, in addition to the amount included for aid pursuant to section 124.32, subdivision 5 for 1978 by Laws 1977, Chapter 447, Article III, Section 16, Subdivision 2, Clause (c).*

Subd. 2. [SUMMER SCHOOL.] *The appropriation in Laws 1977, Chapter 447, Article I, Section 23, Subdivision 2, for fiscal year 1978, includes not to exceed the amount of \$600,000 for foundation aid for 1977 summer school programs, in addition to the amount included for foundation aid for 1977 summer school programs by Laws 1977, Chapter 447, Article I, Section 23, Subdivision 2, Clause (a).*

If the total amount included for summer school programs in the appropriations for foundation aid for fiscal years 1978 and 1979 is insufficient for that purpose, the available amount shall be prorated among all qualifying districts.

Subd. 3. [DECLINING ENROLLMENT.] *Of the appropriations for foundation aid in Laws 1977, Chapter 447, Article I,*

Section 23, Subdivision 2, for the biennium ending June 30, 1979, the legislature anticipates the expenditure of \$3,775,000 for the purpose of implementing the increased declining enrollment factor pursuant to section 40, clause (6) of this act, for the year ending June 30, 1979. This subdivision shall not be construed to limit the expenditure for this purpose.

Subd. 4. [FOUNDATION AID FORMULA ALLOWANCE.] Of the appropriations for foundation aid in Laws 1977, Chapter 447, Article I, Section 23, Subdivision 2, for the biennium ending June 30, 1979, the legislature anticipates the expenditure of \$4,637,000 for the purpose of implementing the increase in the foundation aid formula allowance to \$1,095 pursuant to section 48 of this act, for the year ending June 30, 1979. This subdivision shall not be construed to limit the expenditure for this purpose.

Subd. 5. [INTERDISTRICT TRANSPORTATION.] 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. 140. [AID FOR SECONDARY VOCATIONAL EDUCATION PROGRAMS FOR HANDICAPPED CHILDREN.] Subdivision 1. The sum of \$1,925,000 shall be available for secondary vocational education programs for handicapped children for the year ending June 30, 1979.

(a) Of this amount, the sum of \$1,663,000 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. 141. [TRANSFERS OF APPROPRIATED FUNDS.] Subdivision 1. The sum of \$6,779,500 is transferred from the foundation aid appropriation for fiscal year 1978 in Laws 1977, Chapter 447, Article I, Section 23, Subdivision 2, and reappropriated to the department of education for the following purposes for the fiscal years ending June 30 in the years designated.

Subd. 2. [REGIONAL ACCOUNTING COORDINATORS.] For Uniform Financial Accounting Reporting System regional staff, there is appropriated:

\$175,0001979.

The appropriation in this subdivision shall be added to the sum appropriated in Laws 1977, Chapter 449, Section 2, Subdivision 5, Clause (b) for this purpose for the year designated.

Subd. 3. [SCHOOL LUNCH PROGRAM.] For food storage costs for U.S.D.A. donated commodities, there is appropriated:

\$135,0001978;

\$ 20,0001979.

The appropriations in this subdivision shall be added to the sums appropriated in Laws 1977, Chapter 449, Section 2, Subdivision 5, Clause (c) for this purpose for the years designated. In addition to this appropriation, any unexpended balance from funds appropriated in Laws 1977, Chapter 449, Section 2, Subdivision 5, Clause (c) for the type "A" lunch program may be expended for food storage costs for U.S.D.A. donated commodities.

Subd. 4. [TRANSPORTATION AID.] For transportation aid there is appropriated:

\$ 300,000 1978;

\$1,700,0001979.

The appropriations in this subdivision include not to exceed \$180,000 in fiscal year 1978 and \$150,000 in fiscal year 1979 for transportation aid pursuant to section 124.222, subdivision 2a. The appropriations and allocations in this subdivision shall be added to the sums appropriated and allocated for these years for these purposes in Laws 1977, Chapter 447, Article II, Section 11, Subdivision 2.

Subd. 5. [REGIONAL MANAGEMENT INFORMATION CENTER.] For reimbursement of the T.I.E.S. Regional Management Information Center for costs incurred in converting to the statewide management information system, there is appropriated:

\$500,0001978;

\$450,0001979.

Any unexpended balance remaining from the appropriation in this section for 1978 shall not cancel but shall be available for the second year of the biennium. The appropriations in this subdivision shall be added to the sums appropriated in Laws 1977, Chapter 449, Section 2, Subdivision 5, Clause (b), for this purpose for the years designated. The department of education shall determine which costs are eligible for reimbursement.

Subd. 6. [SPECIAL EDUCATION AID.] For special education aid there is appropriated:

\$3,100,0001979.

The appropriation in this subdivision shall be added to the sum appropriated for this purpose for this year in Laws 1977, Chapter 447, Article III, Section 16, Subdivision 2.

Subd. 7. [ADVISORY COUNCILS.] *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, there is appropriated:*

\$ 5,5001978;

\$11,0001979.

The appropriations in this subdivision shall be added to the sums appropriated for this purpose for the years designated in Laws 1977, Chapter 449, Section 2, Subdivision 3.

Subd. 8. [COMMUNITY EDUCATION.] *For community education aid there is appropriated:*

\$35,0001978.

The appropriation in this subdivision shall be added to the sum appropriated for this purpose for this year in Laws 1977, Chapter 447, Article IV, Section 7, Subdivision 4.

Subd. 9. [INDIAN EDUCATION.] *For certain Indian education programs there is appropriated:*

\$348,0001979.

This appropriation is available for expenditure with the approval of the governor after consultation with the legislative advisory commission in the manner provided in section 3.30. This appropriation is available October 1, 1978, but only if there will not be available for the districts enumerated in this section for the 1978-1979 school year any operational support funds from the federal bureau of Indian affairs pursuant to the Johnson-O'Malley Act, P.L. 73-167 or 25 CFR 273.31, or equivalent money from the same or another source. This appropriation shall be distributed as follows: \$141,000 to Independent School District No. 309—Pine Point school; \$25,000 to Independent School District No. 166; \$38,000 to Independent School District No. 432; \$36,000 to Independent School District No. 435; and \$108,000 to Independent School District No. 707. These amounts shall be expended only for the benefit of Indian students and for the purpose of meeting established state educational standards or statewide requirements.

It is the intention of the legislature that this shall be a final and nonrecurring appropriation.

Sec. 142. [TEACHER MOBILITY TRANSFER AND RE-APPROPRIATION.] *To meet the state's obligations prescribed in sections 125.61, 354.094, 354.66, 354A.091 and 345A.22, there is transferred from the commissioner of finance and reappropriated to the department of education for the year ending June 30, 1979, (1) the unexpended balance of the amount appropriated to the commissioner of finance for this purpose for the year ending*

June 30, 1978, in Laws 1977, Chapter 447, Article IX, Section 8, and (2) the entire amount appropriated to the commissioner of finance for this purpose for the year ending June 30, 1979, in Laws 1977, Chapter 447, Article IX, Section 8. Notwithstanding the provisions of sections 354.43 and 354A.12, the state's obligation prescribed in sections 354.094, 354.66, 354A.091 and 354A.22 shall not be financed out of standing appropriations for the state's obligations pursuant to chapter 354 or 354A.

Sec. 143. [REPEALERS.] Subdivision 1. Minnesota Statutes 1976, Sections 120.065; 120.07; 122.46, Subdivision 2; 122.53; 124.02; 124.16; and Minnesota Statutes, 1977 Supplement, Sections 123.39, Subdivision 5a; 125.61, Subdivision 5; and 128A.06, are repealed.

Subd. 2. Minnesota Statutes, 1977 Supplement, Section 124.213, is repealed effective July 1, 1979.

Sec. 144. [EFFECTIVE DATES.] Subdivision 1. [IMMEDIATE EFFECTIVE DATES.] Except as provided in section 143, subdivision 2, and in this section, the provisions of this act shall be effective the day following final enactment.

Subd. 2. [RETROACTIVE EFFECTIVE DATES.] Sections 56, 61 and 69 of this act shall govern the computation of aid for the 1977-1978 school year. Sections 95 and 99 of this act shall be retroactively effective on July 1, 1977.

Subd. 3. [EXPERIMENTAL PAIRING EFFECTIVE DATE.] Section 29 of this act, insofar as it affects named pairs of independent school districts, shall be effective as to each pair upon its approval by the boards of both of the paired districts. Otherwise, section 29 of this act shall be effective the day following final enactment.

Subd. 4. [DELAYED EFFECTIVE DATES.] Sections 4, 5, 7, 10, 40, 51, 57, 118 and 122 of this act shall be effective July 1, 1978.

Subd. 5. [VOCATIONAL LICENSURE.] Sections 9, 68, 70 and 77 of this act shall not be construed to prohibit the board of teaching from issuing licenses pursuant to rules which incorporate the provisions of the state plan for vocational education by reference, until the state board of education adopts new licensure rules for vocational education teachers.

Subd. 6. [POST-SECONDARY VOCATIONAL-TECHNICAL SCHOOL EFFECTIVE DATES.] Section 64 of this act shall be effective July 1, 1978, except that the provisions changing the reference to the minimum required levy shall be effective July 1, 1979. Sections 65 and 66 of this act shall be effective July 1, 1979.

Subd. 7. [TEACHER MOBILITY EFFECTIVE DATES.] Sections 81, 82, 116 and 120 of this act shall apply to extended leaves beginning in fiscal year 1979 for teachers granted an extended leave of absence pursuant to section 125.60 after June 9, 1977.

Subd. 8. [SCHOOL DISTRICT REORGANIZATION.] Sections 15 to 28 and section 43 of this act; the repealer of Minnesota Statutes 1976, Section 122.53 in section 143 of this act; and the provisions of section 76 of this act concerning merger of classes caused by consolidation, shall not apply to a dissolution and attachment proposed in an interlocutory order issued by a county board prior to the day following final enactment of this act or to a consolidation proposed in a plat approved by the state board of education prior to the day following final enactment of this act; provided, any district which after June 30, 1977 is newly enlarged by such a dissolution and attachment or newly created by such a consolidation may, with the commissioner's approval, elect to be governed by any of the provisions of these sections."

Further, strike the title and insert:

"A bill for an act relating to education; providing for aids to education, tax levies and the distribution of tax revenues; granting certain powers and duties to school boards, school districts, the commissioner of education, the state board of education, the state board for vocational education, county auditors, teachers and school bus contractors; allowing certain fees; revising provisions governing school district reorganization; increasing the foundation aid and special education aid formulas; establishing formulas for certain transportation and secondary vocational education programs; increasing incentives for teacher mobility; authorizing certain expenditures; transferring certain appropriated sums; appropriating money; amending Minnesota Statutes 1976, Sections 6.62, Subdivision 1; 120.17, Subdivisions 3, 9 and by adding a subdivision; 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; 122.22, Subdivisions 2, 9, 14 and by adding a subdivision; 122.23, Subdivisions 2, 3, 6, 13, 15, 16 and 18; 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, Subdivision 3 and by adding a subdivision; 124.20; 124.212, Subdivision 20 and by adding subdivisions; 124.222, by adding a subdivision; 124.563, Subdivision 2; 124.74; 124.76; 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; 127.29, Subdivision 1; 127.30, Subdivision 1; 128A.02, by adding subdivisions; 128A.03, Subdivision 2; 134.03; 179.70, Subdivision 1; 275.125, Subdivisions 15, 16, 18 and by adding a subdivision; 275.48; 298.39; 298.396; 471.16, Subdivision 1; 471.61, by adding a subdivision; 475.60, Subdivision 2; Chapters 120, by adding a section; 122, by adding sections; 124, by adding a section; Minnesota Statutes, 1977 Supplement, Sections 121.16, Subdivision 1; 121.912, Subdivision 1; 122.85, Subdivisions 1 and 6; 124.17, Subdivisions 1 and 2; 124.19, Subdivision 1; 124.212, Subdivisions 5a, 7b and 8a; 124.213, Subdivisions 1 and 2; 124.214; 124.222, Subdivision 6; 124.223; 124.32, Subdivisions 1, 1a, 1b, 5 and 7; 124.38, Subdivision 7; 124.562, Subdivision 1; 124.563, Subdivision 1; 124.572, Subdivisions 2 and 3; 124.573, Subdivisions 2, 3 and by adding a

subdivision; 125.60, Subdivisions 2, 3 and by adding subdivisions; 125.61, Subdivisions 1, 2, 3, 4, 6 and by adding a subdivision; 176.011, Subdivision 9; 275.07; 275.124; 275.125, Subdivisions 2a, 4, 9, 11a and 13; 298.28, Subdivision 1; 354.094, Subdivisions 1 and 4; 354.66, Subdivisions 1 and 9; 354A.091, Subdivision 4; 354A.22, Subdivisions 1 and 9; Laws 1967, Chapter 33, by adding a section; Chapter 822, Section 7, as amended; Laws 1969, Chapter 775, Section 4, Subdivision 1 and Subdivision 2, as amended; Chapter 1060, Section 7, as amended; Laws 1971, Chapter 722, Section 1, as amended; Laws 1977, Chapter 85, Section 1; repealing Minnesota Statutes 1976, Sections 120.065; 120.07; 122.46, Subdivision 2; 122.53; 124.02; 124.16; Minnesota Statutes, 1977 Supplement, Sections 123.39, Subdivision 5a; 124.213; 125.61, Subdivision 5; and 128A.06."

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Willis R. Eken, Carl M. Johnson, Thomas K. Berg, Bob McEachern, Gerald C. Knickerbocker

Senate Conferees: (Signed) Gene Merriam, Jerome M. Hughes, Neil Dieterich, Robert G. Dunn, Jerald C. Anderson

Mr. Merriam moved that the foregoing recommendations and Conference Committee Report on H. F. No. 1885 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H. F. No. 1885: A bill for an act relating to education; providing for aids to education, tax levies and the distribution of tax revenues; granting certain powers and duties to school boards, school districts, the commissioner of education, the state board of education, the state board for vocational education, county auditors, teachers and school bus contractors; allowing certain fees; revising provisions governing school district reorganization; increasing the foundation aid and special education aid formulas; establishing formulas for certain transportation and secondary vocational education programs; increasing incentives for teacher mobility; authorizing certain expenditures; transferring certain appropriated sums; appropriating money; amending Minnesota Statutes 1976, Sections 6.62, Subdivision 1; 120.17, Subdivisions 3, 9 and by adding a subdivision; 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; 122.22, Subdivisions 2, 9, 14 and by adding a subdivision; 122.23, Subdivisions 2, 3, 6, 13, 15, 16 and 18; 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, Subdivision 3 and by adding a subdivision; 124.20; 124.212, Subdivision 20 and by adding subdivisions; 124.222, by adding a subdivision; 124.563, Subdivision 2; 124.74; 124.76; 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; 127.29, Subdivision 1; 127.30, Subdivision 1; 128A.02, by adding subdivisions; 128A.03, Subdivision

2; 134.03; 179.70, Subdivision 1; 275.125, Subdivisions 15, 16, 18 and by adding a subdivision; 275.48; 298.39; 298.396; 471.16, Subdivision 1; 471.61, by adding a subdivision; 475.60, Subdivision 2; Chapters 120, by adding a section; 122, by adding sections; 124, by adding a section; Minnesota Statutes, 1977 Supplement, Sections 121.16, Subdivision 1; 121.912, Subdivision 1; 122.85, Subdivisions 1 and 6; 124.17, Subdivisions 1 and 2; 124.19, Subdivision 1; 124.212, Subdivisions 5a, 7b and 8a; 124.213, Subdivisions 1 and 2; 124.214; 124.222, Subdivision 6; 124.223; 124.32, Subdivisions 1, 1a, 1b, 5 and 7; 124.38, Subdivision 7; 124.562, Subdivision 1; 124.563, Subdivision 1; 124.572, Subdivisions 2 and 3; 124.573, Subdivisions 2, 3 and by adding a subdivision; 125.60, Subdivisions 2, 3 and by adding subdivisions; 125.61, Subdivisions 1, 2, 3, 4, 6 and by adding a subdivision; 176.011, Subdivision 9; 275.07; 275.124; 275.125, Subdivisions 2a, 4, 9, 11a and 13; 298.28, Subdivision 1; 354.094, Subdivisions 1 and 4; 354.66, Subdivisions 1 and 9; 354A.091, Subdivision 4; 354A.22, Subdivisions 1 and 9; Laws 1967, Chapter 33, by adding a section; Chapter 822, Section 7, as amended; Laws 1969, Chapter 775, Section 4, Subdivision 1 and Subdivision 2, as amended; Chapter 1060, Section 7, as amended; Laws 1971, Chapter 722, Section 1, as amended; Laws 1977, Chapter 85, Section 1; repealing Minnesota Statutes 1976, Sections 120.065; 120.07; 122.46, Subdivision 2; 122.53; 124.02; 124.16; Minnesota Statutes, 1977 Supplement, Sections 123.39, Subdivision 5a; 124.213; 125.61, Subdivision 5; and 128A.06.

Was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 56 and nays 2, as follows:

Those who voted in the affirmative were:

Anderson	Frederick	Laufenburger	Peterson	Strand
Ashbach	Gearty	Lessard	Purfeerst	Stumpf
Benedict	Gunderson	Luther	Renneke	Tennessee
Bernhagen	Hanson	Menning	Schaaf	Ueland, A.
Borden	Hughes	Merriam	Schmitz	Ulland, J.
Brataas	Humphrey	Moe	Schrom	Vega
Chenoweth	Johnson	Nelson	Setzepfandt	Wegener
Chmielewski	Keefe, S.	Nichols	Sieloff	Willet
Coleman	Kirchner	Ogdahl	Sikorski	
Dieterich	Kleinbaum	Olhoff	Sillers	
Dunn	Knaak	Olson	Solon	
Engler	Knoll	Penny	Stokowski	

Messrs. Knutson and McCutcheon voted in the negative.

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

MESSAGES FROM THE HOUSE—CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the

recommendation and report of the Conference Committee on House File No. 2250 and repassed said bill in accordance with the report of the Committee, so adopted.

H. F. No. 2250: A bill for an act relating to taxation; increasing credits available to certain taxpayers; removing sales taxes on residential heating fuels; providing additional refunds for residential heating costs for certain taxpayers; reducing the income tax rate on corporations; eliminating the arithmetic average from the formula used for the apportionment of trade or business income among states; amending Minnesota Statutes 1976, Sections 290.06, Subdivisions 1 and 3d; 290.19, Subdivision 1; 290.361, Subdivision 2; 290A.07, Subdivision 1; 297A.25, Subdivision 1; Chapter 290, by adding a section; and Chapter 290A, by adding a section; and Minnesota Statutes, 1977 Supplement, Sections 290.06, Subdivision 3c; and 290A.06.

House File No. 2250 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives
Transmitted March 23, 1978

CONFERENCE COMMITTEE REPORT ON H. F. NO. 2250

A bill for an act relating to taxation; increasing credits available to certain taxpayers; removing sales taxes on residential heating fuels; providing additional refunds for residential heating costs for certain taxpayers; reducing the income tax rate on corporations; eliminating the arithmetic average from the formula used for the apportionment of trade or business income among states; amending Minnesota Statutes 1976, Sections 290.06, Subdivisions 1 and 3d; 290.19, Subdivision 1; 290.361, Subdivision 2; 290A.07, Subdivision 1; 297A.25, Subdivision 1; Chapter 290, by adding a section; and Chapter 290A, by adding a section; and Minnesota Statutes, 1977 Supplement, Sections 290.06, Subdivision 3c; and 290A.06.

March 23, 1978

The Honorable Martin O. Sabo
Speaker of the House of Representatives

The Honorable Edward J. Gearty
President of the Senate

We, the undersigned conferees for H. F. No. 2250, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H. F. No. 2250 be amended as follows:

Strike everything after the enacting clause and insert:

"ARTICLE I: HOME HEATING SALES TAX

Section 1. Minnesota Statutes 1976, Section 297A.25, Subdivision 1, is amended to read:

297A.25 [EXEMPTIONS.] Subdivision 1. The following are specifically exempted from the taxes imposed by sections 297A.01 to 297A.44:

(a) The gross receipts from the sale of food products including but not limited to cereal and cereal products, butter, cheese, milk and milk products, oleomargarine, meat and meat products, fish and fish products, eggs and egg products, vegetables and vegetable products, fruit and fruit products, spices and salt, sugar and sugar products, coffee and coffee substitutes, tea, cocoa and cocoa products;

(b) The gross receipts from the sale of prescribed drugs and medicine intended for use, internal or external, in the cure, mitigation, treatment or prevention of illness or disease in human beings and products consumed by humans for the preservation of health, including prescription glasses, therapeutic and prosthetic devices, but not including cosmetics or toilet articles notwithstanding the presence of medicinal ingredients therein;

(c) The gross receipts from the sale of and the storage, use or other consumption in Minnesota of tangible personal property, tickets, or admissions, electricity, gas, or local exchange telephone service, which under the Constitution or laws of the United States or under the Constitution of Minnesota, the state of Minnesota is prohibited from taxing;

(d) The gross receipts from the sale of tangible personal property (i) which, without intermediate use, is shipped or transported outside Minnesota and thereafter used in a trade or business or is stored, processed, fabricated or manufactured into, attached to or incorporated into other tangible personal property transported or shipped outside Minnesota and thereafter used in a trade or business outside Minnesota, and which is not thereafter returned to a point within Minnesota, except in the course of interstate commerce (storage shall not constitute intermediate use); or (ii) which the seller delivers to a common carrier for delivery outside Minnesota, places in the United States mail or parcel post directed to the purchaser outside Minnesota, or delivers to the purchaser outside Minnesota by means of the seller's own delivery vehicles, and which is not thereafter returned to a point within Minnesota, except in the course of interstate commerce;

(e) The gross receipts from the sale of packing materials used to pack and ship household goods, the ultimate destination of which is outside the state of Minnesota and which are not thereafter returned to a point within Minnesota, except in the course of interstate commerce;

(f) The gross receipts from the sale of and storage, use or consumption of petroleum products upon which a tax has been imposed under the provisions of chapter 296, whether or not any part of said tax may be subsequently refunded;

(g) The gross receipts from the sale of clothing and wearing apparel except the following:

(i) all articles commonly or commercially known as jewelry, whether real or imitation; pearls, precious and semi-precious stones, and imitations thereof; articles made of, or ornamented, mounted or fitted with precious metals or imitations thereof; watches; clocks; cases and movements for watches and clocks; gold, gold-plated, silver, or sterling flatware or hollow ware and silver-plated hollow ware; opera glasses; lorgnettes; marine glasses; field glasses and binoculars.

(ii) articles made of fur on the hide or pelt, and articles of which such fur is the component material or chief value, but only if such value is more than three times the value of the next most valuable component material.

(iii) perfume, essences, extracts, toilet waters, cosmetics, petroleum jellies, hair oils, pomades, hair dressings, hair restoratives, hair dyes, aromatic cachous and toilet powders. The tax imposed by this act shall not apply to lotion, oil, powder, or other article intended to be used or applied only in the case of babies.

(iv) trunks, valises, traveling bags, suitcases, satchels, overnight bags, hat boxes for use by travelers, beach bags, bathing suit bags, brief cases made of leather or imitation leather, salesmen's sample and display cases, purses, handbags, pocketbooks, wallets, bill-folds, card, pass, and key cases and toilet cases.

(h) The gross receipts from the sale of and the storage, use, or consumption of all materials, including chemicals, fuels, petroleum products, lubricants, packaging materials, including returnable containers used in packaging food and beverage products, feeds, seeds, fertilizers, electricity, gas and steam, used or consumed in agricultural or industrial production of personal property intended to be sold ultimately at retail, whether or not the item so used becomes an ingredient or constituent part of the property produced. Such production shall include, but is not limited to, research, development, design or production of any tangible personal property, manufacturing, processing (other than by restaurants and consumers) of agricultural products whether vegetable or animal, commercial fishing, refining, smelting, reducing, brewing, distilling, printing, mining, quarrying, lumbering, generating electricity and the production of road building materials. Such production shall not include painting, cleaning, repairing or similar processing of property except as part of the original manufacturing process. Machinery, equipment, implements, tools, accessories, appliances, contrivances, furniture and fixtures, used in such production and fuel, electricity, gas or steam used for space, heating or lighting, are not included within this exemption; however, accessory tools, equipment and other short lived items, which are separate detachable units used in producing a direct effect upon the product, where such items have an ordinary useful life of less than 12 months, are included within the exemption provided herein;

(i) The gross receipts from the sale of and storage, use or other consumption in Minnesota of tangible personal property (except as provided in section 297A.14) which is used or consumed in

producing any publication regularly issued at average intervals not exceeding three months, and any such publication. For purposes of this subsection, "publication" as used herein shall include, without limiting the foregoing, a legal newspaper as defined by Minnesota Statutes 1965, Section 331.02, and any supplements or enclosures with or part of said newspaper; and the gross receipts of any advertising contained therein or therewith shall be exempt. For this purpose, advertising in any such publication shall be deemed to be a service and not tangible personal property, and persons or their agents who publish or sell such newspapers shall be deemed to be engaging in a service with respect to gross receipts realized from such newsgathering or publishing activities by them, including the sale of advertising. Machinery, equipment, implements, tools, accessories, appliances, contrivances, furniture and fixtures used in such publication and fuel, electricity, gas or steam used for space heating or lighting, are not exempt;

(j) The gross receipts from all sales of tangible personal property to, and all storage, use or consumption of such property by, the United States and its agencies and instrumentalities or a state and its agencies, instrumentalities and political subdivisions;

(k) The gross receipts from the isolated or occasional sale of tangible personal property in Minnesota not made in the normal course of business of selling that kind of property, and the storage, use, or consumption of property acquired as a result of such a sale;

(l) The gross receipts from sales of rolling stock and the storage, use or other consumption of such property by railroads, freight line companies, sleeping car companies and express companies taxed on the gross earnings basis in lieu of ad valorem taxes. For purposes of this clause "rolling stock" is defined as the portable or moving apparatus and machinery of any such company which moves on the road, and includes, but is not limited to, engines, cars, tenders, coaches, sleeping cars and parts necessary for the repair and maintenance of such rolling stock.

(m) The gross receipts from sales of aircraft equipment and the storage, use or other consumption of such property by airline companies taxed under the provisions of sections 270.071 to 270.079. For purposes of this clause, "airflight equipment" includes airplanes and parts necessary for the repair and maintenance of such aircraft equipment, and flight simulators.

(n) The gross receipts from the sale of telephone central office telephone equipment used in furnishing intrastate and interstate telephone service to the public.

(o) The gross receipts from the sale of and the storage, use or other consumption by persons taxed under the in lieu provisions of chapter 298, of mill liners, grinding rods and grinding balls which are substantially consumed in the production of taconite, the material of which primarily is added to and becomes a part of the material being processed.

(p) The gross receipts from the sale of tangible personal property to, and the storage, use or other consumption of such prop-

erty by, any corporation, society, association, foundation, or institution organized and operated exclusively for charitable, religious or educational purposes if the property purchased is to be used in the performance of charitable, religious or educational functions, or any senior citizen group organized and operated exclusively for pleasure, recreation and other nonprofit purposes, no part of the net earnings of which inures to the benefit of any private shareholders;

(q) The gross receipts from the sale of caskets and burial vaults;

(r) The gross receipts from the sale of cigarettes.

(s) The gross receipts from the sale of an automobile or other conveyance if the purchaser is assisted by a grant from the United States in accordance with 38 United States Code, Section 1901, as amended.

(t) The gross receipts from the sale to the licensed aircraft dealer of an aircraft for which a commercial use permit has been issued pursuant to section 360.654, if the aircraft is resold while the permit is in effect.

(u) The gross receipts from the sale of building materials to be used in the construction or remodeling of a residence when the construction or remodeling is financed in whole or in part by the United States in accordance with 38 United States Code, Sections 801 to 805, as amended. This exemption shall not be effective at time of sale of the materials to contractors, subcontractors, builders or owners, but shall be applicable only upon a claim for refund to the commissioner of revenue filed by recipients of the benefits provided in Title 38 United States Code, Chapter 21, as amended. The commissioner shall provide by regulation for the refund of taxes paid on sales exempt in accordance with this paragraph.

(v) The gross receipts from the sale of textbooks which are prescribed for use in conjunction with a course of study in a public or private school, college, university and business or trade school to students who are regularly enrolled at such institutions. For purposes of this clause a "public school" is defined as one that furnishes course of study, enrollment and staff that meets standards of the state board of education and a private school is one which under the standards of the state board of education, provides an education substantially equivalent to that furnished at a public school. Business and trade schools shall mean such schools licensed pursuant to section 141.25.

(w) The gross receipts from the sale of and the storage of material designed to advertise and promote the sale of merchandise or services, which material is purchased and stored for the purpose of subsequently shipping or otherwise transferring outside the state by the purchaser for use thereafter solely outside the state of Minnesota.

(x) *The gross receipt from the sale of residential heating fuels in the following manner:*

(i) all fuel oil, coal, wood, steam, propane gas, and L.P. gas sold to residential customers for residential use;

(ii) natural gas sold for residential use to customers who are metered and billed as residential users and who use natural gas for their primary source of residential heat, for the billing months of November, December, January, February, March and April;

(iii) electricity sold for residential use to customers who are metered and billed as residential users and who use electricity for their primary source of residential heat, for the billing months of November, December, January, February, March and April.

Sec. 2. [EFFECTIVE DATE.] Section 1 is effective the day following final enactment.

ARTICLE II: PERSONAL CREDITS

Section 1. Minnesota Statutes, 1977 Supplement, Section 290.06, Subdivision 3c, is amended to read:

Subd. 3c. [CREDITS AGAINST TAX.] Notwithstanding the provisions of subdivision 3a for taxable years which begin after December 31, 1977, the taxes due under the computation in accordance with section 290.06 shall be credited with the following amounts:

(1) In the case of an unmarried individual, and, except as provided in paragraph 6, in the case of the estate of a decedent, \$30 \$40, and in the case of a trust, \$5;

(2) In the case of a married individual, living with husband or wife, and in the case of a head of a household, \$60 \$80. If such husband and wife make separate returns the personal exemption may be taken by either or divided between them;

(3) In the case of an individual, \$30 \$40 for each person (other than husband or wife) dependent upon and receiving his chief support from the taxpayer. One taxpayer only shall be allowed this credit with respect to any given dependent. In the case of the head of a household, a credit for one dependent shall be disallowed. A payment to a divorced or separated wife, other than a payment of the kind referred to in section 290.072, subdivision 3, shall not be considered a payment by the husband for the support of any dependent.

(4) (a) In the case of an unmarried individual who has attained the age of 65 before the close of his taxable year, an additional \$30 \$20;

(b) In the case of an unmarried individual who is blind at the close of the taxable year, an additional \$30 \$20;

(c) In the case of a married individual, living with husband or wife, an additional \$30 \$20 for each spouse who has attained the age of 65 before the close of the individual's taxable year, and an additional \$30 \$20 for each spouse who is blind at the close of the individual's taxable year. If such husband and wife make separate

returns, these credits may be taken by either or divided between them;

(d) For the purposes of sub-paragraphs (b) and (c) of paragraph (4), an individual is blind if his central visual acuity does not exceed 20/200 in the better eye with correcting lenses, or if his visual acuity is greater than 20/200 but is accompanied by a limitation in the fields of vision such that the widest diameter of the visual field subtends an angle no greater than 20 degrees.

(e) In the case of an unmarried individual who is deaf at the close of the taxable year, an additional \$30 \$20.

(f) In the case of a married individual, an additional \$30 \$20 for each spouse who is deaf at the close of the taxable year. If the husband and wife make separate returns, these credits may be taken by either or divided between them.

(g) In the case of an individual, an additional \$30 \$20 for each person (other than a spouse) who is deaf and dependent upon and receiving his chief support from the taxpayer.

(h) For the purposes of subparagraphs (e), (f) and (g) of paragraph (4), an individual is deaf if the average loss in the speech frequencies (500-2000 Hertz) in the better ear, unaided, is 92 decibels, American National Standards Institute, or worse.

(5) (a) *If an unmarried individual qualifies for two or more additional credits under the provisions of clauses (4)(a), (4)(b) and (4)(e), the total amount of his credit shall be increased by \$10 for each additional credit in excess of one.*

(b) *If a married individual qualifies for more than one additional credit for either spouse under the provisions of clauses (4)(c) and (4)(f), the total amount of his credit shall be increased by \$10 for each additional credit in excess of one per spouse.*

(5) (6) In the case of an insurance company, it shall receive a credit on the tax computed as above equal in amount to any taxes based on premiums paid by it during the period for which the tax under Extra Session Laws 1967, Chapter 32, is imposed by virtue of any law of this state, other than the surcharge on premiums imposed by Extra Session Laws 1933, Chapter 53, as amended;

(6) (7) In the case of a non-resident individual, credits under paragraphs 1, 2, 3, 4 and 4 5 shall be apportioned in the proportion of the gross income from sources in Minnesota to the gross income from all sources, and in any event a minimum credit of \$5 shall be allowed.

Sec. 2. Minnesota Statutes, 1977 Supplement, Section 290.37, Subdivision 1, is amended to read:

290.37 [FILING REQUIREMENTS FOR INDIVIDUALS.]
Subdivision 1. [PERSONS MAKING RETURNS.] The following persons shall make a return for each taxable year, or fractional part thereof where permitted or required by law:

(a) A single individual with respect to his own taxable net income if that exceeds an amount on which a tax at the rates herein provided would exceed the specified credits allowed, or if his gross income exceeds \$1,500 \$1,700.

(b) A married individual if his own taxable net income or the combined taxable net income of himself and his spouse exceeds an amount on which a tax at the rates herein provided would exceed the specified credits allowed, or if his gross income or the combined gross income of himself and his spouse exceeds \$2,300 \$2,700 .

(c) An unmarried individual who has attained the age of 65 before the close of the taxable year with respect to his own taxable net income if that exceeds an amount on which a tax at the rates herein provided would exceed the specified credits allowed or if his gross income exceeds \$2,300.

(d) A married individual living with husband or wife where one has attained the age of 65 before the close of the individual's taxable year if his own taxable net income or the combined taxable net income of himself and his spouse exceeds an amount on which a tax at the rates herein provided would exceed the specified credits allowed or if his gross income or the combined gross income of himself and his spouse exceeds \$2,000 \$3,100 .

(e) A married individual living with husband or wife and both spouse have attained the age of 65 if his own taxable net income or the combined taxable net income of himself and his spouse exceeds an amount on which a tax at the rates herein provided would exceed the specified credits allowed or if his gross income or the combined gross income of himself and his spouse exceeds \$3,400.

(f) An unmarried individual who is blind at the close of the taxable year with respect to his own taxable net income if that exceeds an amount on which a tax at the rates herein provided would exceed the specified credits allowed or if his gross income exceeds \$2,300; or \$2,900 if the individual has also attained the age of 65 before the close of the taxable year.

(g) A married individual living with husband or wife and one is blind at the close of the taxable year with respect to his own taxable net income or the combined taxable net income of himself and his spouse exceeds an amount on which a tax at the rates herein provided would exceed the specified credits allowed or if his gross income or the combined gross income of himself and his spouse exceeds \$2,000 \$3,100 ; or \$3,400 if one has attained the age of 65 before the close of the taxable year and \$3,800 if both have attained the age of 65 before the close of the taxable year.

(h) A married individual living with husband or wife where both are blind at the close of the taxable year with respect to his own taxable net income or the combined taxable net income of himself and his spouse exceeds an amount on which a tax at the rates herein provided would exceed the specified credits allowed

or if his gross income or the combined gross income of himself and his spouse exceeds \$3,400; or \$3,900 if one has attained the age of 65 before the close of the taxable year and \$4,400 if both have also attained the age of 65 before the close of the taxable year.

(i) The personal representative of the estate of a decedent with respect to the taxable net income of such decedent for that part of the taxable year during which he was alive if such taxable net income exceeds an amount on which a tax at the rates herein provided would exceed the specific credits allowed, or if such decedent's gross income for the aforesaid period exceeds \$1,500 \$1,700 .

(j) The personal representative of the estate of a decedent with respect to the taxable net income of such estate if that exceeds an amount on which a tax at the rates herein provided would exceed the specific credits allowed, or if such estate's gross income exceeds \$1,500 \$1,700 .

(k) The trustee or other fiduciary of property held in trust with respect to the taxable net income of such trust if that exceeds an amount on which a tax at the rates herein provided would exceed the specified credits allowed, or if the gross income of such trust exceeds \$750, if in either case such trust belongs to the class of taxable persons.

(l) The guardian of an infant or other incompetent person with respect to such infant's or other person's taxable net income if that exceeds an amount on which a tax at the rates herein provided would exceed the specific credits allowed, or if the gross income of such infant or other incompetent person exceeds \$1,500 \$1,700 .

(m) Every corporation with respect to its taxable net income if in excess of \$500, or if its gross income exceeds \$5,000. The return in this case shall be signed by an officer of the corporation.

(n) The receivers, trustees in bankruptcy, or assignees operating the business or property of a taxpayer with respect to the taxable net income of such taxpayer if that exceeds an amount on which a tax at the rates herein provided would exceed the specific credits allowed (or, if the taxpayer is a corporation, if the taxable net income exceeds \$500), or if such taxpayer's gross income exceeds \$5,000.

Such return shall (a) be verified or contain a written declaration that it is made under the penalties of criminal liability for wilfully making a false return, and (b) shall contain a confession of judgment for the amount of the tax shown due thereon to the extent not timely paid.

For purposes of (a) through (n) the term "gross income" shall mean gross income as defined in section 61 of the Internal Revenue Code of 1954, as amended through December 31, 1976, modified and adjusted in accordance with the provisions of sections 290.08, 290.17 and 290.65.

Sec. 3. [EFFECTIVE DATE.] *Sections 1 and 2 are effective for taxable years beginning after December 31, 1977.*

ARTICLE III: HOMEMAKER CREDIT

Section 1. Minnesota Statutes 1976, Section 290.06, is amended by adding a subdivision to read:

Subd. 3e. [HOMEMAKER CREDIT.] A credit of \$50 may be deducted from the tax due from the taxpayer and his spouse, if any, under Chapter 290 if either the taxpayer or his spouse devotes his time to caring for his children and their home and is not employed outside of the home. A taxpayer would qualify for the credit if

(a) he has a child who is twelve years of age or younger residing in his home at any time during the taxable year;

(b) either the taxpayer or his spouse remains unemployed throughout the taxable year for the purpose of caring for the child in the home; and

(c) the combined federal adjusted gross income of the taxpayer and his spouse is not in excess of \$25,000.

A married claimant shall file his income tax return for the year for which he claims the credit either jointly or separately on one form with his spouse. In the case of the married claimant, only one spouse may claim the credit.

Sec. 2. [EFFECTIVE DATE.] Section 1 is effective for taxable years beginning after December 31, 1977.

ARTICLE IV: RATES

Section 1. Minnesota Statutes, 1977 Supplement, Section 290.06, Subdivision 2c, is amended to read:

Subd. 2c. [SCHEDULE OF RATES FOR INDIVIDUALS, ESTATES AND TRUSTS.] (a) For taxable years beginning after December 31, 1977, the income taxes imposed by this chapter upon individuals, estates and trusts, other than those taxable as corporations, shall be computed by applying to their taxable net income in excess of the applicable credits allowed by section 290.21, the following schedule of rates:

- (1) On the first \$500, one and six-tenths percent;
- (2) On the second \$500, two and two-tenths percent;
- (3) On the next \$1,000, three and five-tenths percent;
- (4) On the next \$1,000, five and eight-tenths percent;
- (5) On the next \$1,000, seven and three-tenths percent;
- (6) On the next \$1,000, eight and eight-tenths percent;
- (7) On the next \$2,000, ten and two-tenths percent;
- (8) On the next \$2,000, eleven and five-tenths percent;
- (9) On the next \$3,500, twelve and eight-tenths percent;

(10) On all over \$12,500, and not over \$20,000, fourteen percent;

(11) On all over \$20,000 and not over ~~\$25,000~~ \$27,500 , fifteen percent;

(12) On all over ~~\$25,000~~ \$27,500 and not over ~~\$35,000~~ \$40,000 , sixteen percent;

(13) On all over ~~\$35,000~~ and not over ~~\$50,000~~ \$40,000 , seventeen percent ;

(14) On the remainder, eighteen percent .

(b) In lieu of a tax computed according to the rates set forth in clause (a) of this subdivision, the tax of any individual taxpayer whose taxable net income for the taxable year, reduced by the applicable credits allowed by section 290.21, is less than \$20,000 shall be computed in accordance with tables prepared and issued by the commissioner of revenue based on income brackets of not more than \$100. The amount of tax for each bracket shall be computed at the rates set forth in this subdivision, provided that the commissioner may disregard a fractional part of a dollar unless it amounts to 50 cents or more, in which case it may be increased to \$1.

ARTICLE V: EMPLOYERS' EXCISE TAX

Section 1. [REPEALER.] *Minnesota Statutes 1976, Sections 290.031, Subdivisions 1, 2, 3, 5 and 6; 290.921; and 290.922; and Minnesota Statutes, 1977 Supplement, Section 290.031, Subdivision 4, are repealed.*

Sec. 2. [EFFECTIVE DATE.] *Section 1 is effective for compensation paid after June 30, 1978.*

ARTICLE VI: PENSIONS

Section 1. *Minnesota Statutes, 1977 Supplement, Section 290.01, Subdivision 20, is amended to read:*

Subd. 20. [GROSS INCOME.] Except as otherwise provided in this chapter, the term "gross income," as applied to corporations includes every kind of compensation for labor or personal services of every kind from any private or public employment, office, position or services; income derived from the ownership or use of property; gains or profits derived from every kind of disposition of, or every kind of dealing in, property; income derived from the transaction of any trade or business; and income derived from any source; except that gross income shall not include "exempt function income" of a "homeowners association" as those terms are defined in Section 528 of the Internal Revenue Code of 1954, as amended.

For each of the taxable years beginning after December 31, 1960 and prior to January 1, 1971, the term "gross income" in

its application to individuals, estates, and trusts, shall mean the adjusted gross income as computed for federal income tax purposes as defined in the Internal Revenue Code of 1954, as amended through December 31, 1970 for the applicable taxable year, with the modifications specified in this section.

For each of the taxable years beginning after December 31, 1970, the term "gross income" in its application to individuals, estates, and trusts shall mean the adjusted gross income as computed for federal income tax purposes as defined in the Internal Revenue Code of 1954, as amended through the date specified herein for the applicable taxable year, with the modifications specified in this section.

(i) The Internal Revenue Code of 1954, as amended through December 31, 1970, shall be in effect for taxable years beginning after December 31, 1970 and prior to January 1, 1973.

(ii) The Internal Revenue Code of 1954, as amended through December 31, 1972, shall be in effect for taxable years beginning after December 31, 1972.

(iii) The Internal Revenue Code of 1954, as amended through December 31, 1973, shall be in effect for taxable years beginning after December 31, 1973.

(iv) The Internal Revenue Code of 1954, as amended through December 31, 1974, shall be in effect for the taxable years beginning after December 31, 1974.

(v) The Internal Revenue Code of 1954, as amended through December 31, 1976, including the amendments made to section 280A (relating to licensed day care centers) in H. R. 3477 as it passed the Congress on May 16, 1977, shall be in effect for the taxable years beginning after December 31, 1976. The provisions of the Tax Reform Act of 1976, P.L. 94-455, which affect adjusted gross income shall become effective for purposes of chapter 290 at the same time they become effective for federal income tax purposes. Section 207 (relating to extension of period for nonrecognition of gain on sale or exchange of residence) and section 402 (relating to time for making contributions to pension plans of self employed people) of P.L. 94-12 shall be effective for taxable years beginning after December 31, 1974.

References to the Internal Revenue Code of 1954 in clauses (a), (b) and (c) following shall mean the code in effect for the purpose of defining gross income for the applicable taxable year.

(a) Modifications increasing federal adjusted gross income. There shall be added to federal adjusted gross income:

(1) Interest income on obligations of any state other than Minnesota or a political subdivision of any such other state exempt from federal income taxes under the Internal Revenue Code of 1954;

(2) Interest income on obligations of any authority, commission, or instrumentality of the United States, which the laws

of the United States exempt from federal income tax, but not from state income taxes;

(3) Income taxes imposed by this state or any other taxing jurisdiction, to the extent deductible in determining federal adjusted gross income and not credited against federal income tax;

(4) Interest on indebtedness incurred or continued to purchase or carry securities the income from which is exempt from tax under this chapter, to the extent deductible in determining federal adjusted gross income;

(5) Amounts received as reimbursement for an expense of sickness or injury which was deducted in a prior taxable year to the extent that the deduction for such reimbursed expenditure resulted in a tax benefit;

(6) The amount of any federal income tax overpayment for any previous taxable year, received as refund or credited to another taxable year's income tax liability, proportionate to the percentage of federal income tax that was claimed as a deduction in determining Minnesota income tax for such previous taxable year.

The overpayment refund or credit, determined with respect to a husband and wife on a joint federal income tax return for a previous taxable year, shall be reported on joint or separate Minnesota income tax returns. In the case of separate Minnesota returns, the overpayment shall be reported by each spouse proportionately according to the relative amounts of federal income tax claimed as a deduction on his or her separate Minnesota income tax return for such previous taxable year;

(7) In the case of a change of residence from Minnesota to another state or nation, the amount of moving expenses which exceed total reimbursements and which were therefore deducted in arriving at federal adjusted gross income;

(8) In the case of property disposed of on or after January 1, 1973, the amount of any increase in the taxpayer's federal tax liability under section 47 of the Internal Revenue Code of 1954, as amended through December 31, 1976, to the extent of the credit under section 38 of the Internal Revenue Code of 1954, as amended through December 31, 1976, that was previously allowed as a deduction either under section 290.01, subdivision 20 (b) (9) (7) or under section 290.09, subdivision 24; and

(9) Expenses and losses arising from a farm which are not allowable under section 290.09, subdivision 29;

(10) Expenses and depreciation attributable to substandard buildings disallowed by section 290.101; and

(11) The amount by which the gain determined pursuant to section 41.59, subdivision 2 exceeds the amount of such gain included in federal adjusted gross income;

~~(13)~~ (12) Interest income from qualified scholarship funding bonds as defined in section 103(e) of the Internal Revenue Code of 1954, as amended through December 31, 1976, if the nonprofit corporation is domiciled outside of Minnesota;

~~(14)~~ (13) Exempt-interest dividends, as defined in section 852(b) (5) (A) of the Internal Revenue Code of 1954, as amended through December 31, 1976, not included in federal adjusted gross income pursuant to section 852(b) (5) (B) of the Internal Revenue Code of 1954, as amended through December 31, 1976, except for that portion of such exempt-interest dividends derived from interest income on obligations of the state of Minnesota, any of its political or governmental subdivisions, any of its municipalities, or any of its governmental agencies or instrumentalities;

~~(15)~~ (14) The amount of any excluded gain realized by a trust on the sale or exchange of property as defined in section 641(c) (1).

(b) Modifications reducing federal adjusted gross income. There shall be subtracted from federal adjusted gross income:

(1) Interest income on obligations of any authority, commission or instrumentality of the United States to the extent includible in gross income for federal income tax purposes but exempt from state income tax under the laws of the United States;

(2) The portion of any gain, from the sale or other disposition of property having a higher adjusted basis for Minnesota income tax purposes than for federal income tax purposes, that does not exceed such difference in basis; but if such gain is considered a long-term capital gain for federal income tax purposes, the modification shall be limited to fifty per centum of such portion of the gain. This modification shall not be applicable if the difference in basis is due to disallowance of depreciation pursuant to section 290.101.

(3) Interest or dividend income on securities to the extent exempt from income tax under the laws of this state authorizing the issuance of such securities but includible in gross income for federal income tax purposes;

(4) Losses, not otherwise reducing federal adjusted gross income assignable to Minnesota, arising from events or transactions which are assignable to Minnesota under the provisions of sections 290.17 to 290.20, including any capital loss or net operating loss carryforwards or carrybacks resulting from such losses;

(5) If included in federal adjusted gross income, the amount of any credit received, whether received as a refund or credit to another taxable year's income tax liability, pursuant to chapter 290A, and the amount of any overpayment of income tax to Minnesota, or any other state, for any previous taxable year, whether such amount is received as a refund or credited to another taxable year's income tax liability;

(6) *To the extent included in federal adjusted gross income,*

notwithstanding any other law to the contrary, the amount of any pension or benefit which is excluded from gross income under the provisions of section 290.08, subdivision 6 received by any person (i) from the United States, its agencies or instrumentalities, the Federal Reserve Bank or from the state of Minnesota or any of its political or governmental subdivisions or from any other state or its political or governmental subdivisions, or a Minnesota volunteer fireman's relief association, by way of payment as a pension, public employee retirement benefit, or any combination thereof, or (ii) as a retirement or survivor's benefit made from a plan qualifying under section 401, 403, 404, 405, 408 or 409 of the Internal Revenue Code of 1954, as amended through December 31, 1977. The maximum amount of this subtraction shall be \$7,200 less the sum of (a) social security retirement benefits received during the taxable year, (b) railroad retirement benefits received during the taxable year, and (c) the amount by which the individual's federal adjusted gross income exceeds \$13,000. In the case of a volunteer fireman who receives an involuntary lump sum distribution of his pension or retirement benefits, the maximum amount of this subtraction shall be \$7,200 less the sum of social security retirement benefits and railroad retirement benefits; this subtraction shall not be reduced by the amount of the individual's federal adjusted gross income in excess of \$13,000; and

(7) In the case of property acquired on or after January 1, 1973, the amount of any credit to the taxpayer's federal tax liability under section 38 of the Internal Revenue Code of 1954, as amended through December 31, 1976, but only to the extent that the credit is connected with or allocable against the production or receipt of income included in the measure of the tax imposed by this chapter;

(10) (8) The amount of any distribution from a qualified pension or profit sharing plan included in federal adjusted gross income in the year of receipt to the extent of any contribution not previously allowed as a deduction by reason of a change in federal law which was not adopted by Minnesota law for a taxable year beginning in 1974 or later.

(c) Modifications affecting shareholders of electing small business corporations under section 1372 of the Internal Revenue Code of 1954, or section 290.972 of this chapter.

(1) Shareholders in a small business corporation, which has elected to be so taxed under the Internal Revenue Code of 1954, but has not made an election under section 290.972 of this chapter, shall deduct from federal adjusted gross income the amount of any imputed income from such corporation and shall add to federal adjusted gross income the amount of any loss claimed as a result of such stock ownership. Also there shall be added to federal adjusted gross income the amount of any distributions in cash or property made by said corporation to its shareholders during the taxable year.

(2) In cases where the small business corporation has made an election under section 1372 of the Internal Revenue Code of 1954, but has not elected under section 290.972 of this chapter and said

corporation is liquidated or the individual shareholder disposes of his stock and there is no capital loss reflected in federal adjusted gross income because of the fact that corporate losses have exhausted the shareholders basis for federal purposes, such shareholders shall be entitled, nevertheless, to a capital loss commensurate to their Minnesota basis for the stock.

(3) In cases where the election under section 1372 of the Internal Revenue Code of 1954 antedates the election under section 290.972 of this chapter and at the close of the taxable year immediately preceding the effective election under section 290.972 the corporation has a reserve of undistributed taxable income previously taxed to shareholders under the provisions of the Internal Revenue Code of 1954, in the event and to the extent that such reserve is distributed to shareholders such distribution shall be taxed as a dividend for purposes of this act.

Items of gross income includible within these definitions shall be deemed such regardless of the form in which received. Items of gross income shall be included in gross income of the taxable year in which received by a taxpayer unless properly to be accounted for as of a different taxable year under methods of accounting permitted by section 290.07, except that (1) amounts transferred from a reserve or other account, if in effect transfers to surplus, shall, to the extent that such amounts were accumulated through deductions from gross income or entered into the computation of taxable net income during any taxable year, be treated as gross income for the year in which the transfer occurs, but only to the extent that such amounts resulted in a reduction of the tax imposed by this act, and (2) amounts received as refunds on account of taxes deducted from gross income during any taxable year shall be treated as gross income for the year in which actually received, but only to the extent that such amounts resulted in a reduction of the tax imposed by this act.

(d) Modification in computing taxable income of the estate of a decedent. Amounts allowable under section 291.07, subdivision 1(2) in computing Minnesota inheritance tax liability shall not be allowed as a deduction in computing the taxable income of the estate unless there is filed within the time and in the manner and form prescribed by the commissioner a statement that the amounts have not been allowed as a deduction under section 291.07 and a waiver of the right to have such amounts allowed at any time as deductions under section 291.07. The provisions of this paragraph shall not apply with respect to deductions allowed under section 290.077 (relating to income in respect of decedents). In the event that the election made for federal tax purposes under section 642(g) of the Internal Revenue Code of 1954 differs from the election made under this paragraph appropriate modification of the estate's federal taxable income shall be made to implement the election made under this paragraph in accordance with regulations prescribed by the commissioner.

Sec. 2. [REPEALER.] *Minnesota Statutes, 1977 Supplement, Section 290.08, Subdivision 6, is repealed.*

Sec. 3. [EFFECTIVE DATE.] *This article is effective for taxable years beginning after December 31, 1977.*

ARTICLE VII: NATIONAL GUARD CREDIT

Section 1. Minnesota Statutes 1976, Section 290.06, is amended by adding a subdivision to read:

Subd. 12. [MEMBERS OF THE NATIONAL GUARD.] A credit of \$140 may be deducted from the tax due under chapter 290 by a taxpayer who is a member of the national guard in the rank of captain or below for more than six months during the taxable year. If the credit exceeds the taxpayer's liability under chapter 290, the excess shall not be refundable.

Sec. 2. [EFFECTIVE DATE.] Section 1 is effective for taxable years beginning after December 31, 1977.

ARTICLE VIII: LOW INCOME CREDIT

Section 1. Minnesota Statutes 1976, Section 290.06, Subdivision 3d, is amended to read:

Subd. 3d. [CREDITS AGAINST TAX.] The taxes due as computed in accordance with section 290.06, subdivisions 2c and , 3c , and (3e) shall be credited with the following amounts:

(1) A credit equal to his tax liability in the case of:

(a) An unmarried claimant with an income of ~~\$4,400~~ \$4,800 or less;

(b) A claimant with one dependent, with an income of ~~\$5,200~~ \$5,800 or less;

(c) A claimant with two dependents, with an income of ~~\$6,000~~ \$6,900 or less;

(d) A claimant with three dependents, with an income of ~~\$6,700~~ \$7,800 or less;

(e) A claimant with four dependents, with an income of ~~\$7,300~~ \$8,400 or less; and

(f) A claimant with five or more dependents, with an income of ~~\$7,800~~ \$8,900 or less.

(2) In the case of a claimant with an income in excess of that set forth in the appropriate category of clause (1), he may pay a tax equal to 15 percent of that portion of his income that is in excess of the amount set forth in the appropriate category of clause (1), or his tax obligation as it would have been in the absence of section 290.012 and this subdivision, whichever is less.

(3) The total income of the claimant and his spouse, if any, shall be the figure employed for the purposes of this subdivision. No individual dependent upon and receiving his chief support from any other individual may be a claimant under section 290.012 and this subdivision. The commissioner of revenue shall prescribe the additional forms or alterations in existing forms as necessary to comply with the provisions of section 290.012 and this subdivision. All claimants shall submit their returns on these forms.

The commissioner of revenue shall provide alternative tax tables which will include these credits.

Sec. 2. [EFFECTIVE DATE.] *Section 1 is effective for taxable years beginning after December 31, 1977.*

ARTICLE IX: MISCELLANEOUS

Section 1. Minnesota Statutes, 1977 Supplement, Section 290.06, Subdivision 9a, is amended to read:

Subd. 9a. [FEEDLOT POLLUTION CONTROL EQUIPMENT.] A credit of 10 percent of the net cost of pollution control and abatement equipment, including but not limited to, lagoons, concrete storage pits, slurry handling equipment, and other equipment and devices approved by the pollution control agency, purchased, installed and operated within the state by a feedlot operator to prevent pollution of air, land, or water in connection with the operation of a livestock feedlot, poultry lot or other animal lot, may be deducted from the tax due under this chapter in the taxable year in which such equipment is purchased; provided that no deduction shall be taken for any portion of the cost of the same equipment pursuant to subdivision 9. The credit provided for in subdivision 9 shall terminate on December 31, 1976. The credit provided for in this subdivision shall terminate on December 31, 1980, except any amounts that are carried forward to a subsequent year may be taken as a credit in such subsequent years.

If the amount of the credit provided by this subdivision exceeds the taxpayer's liability for taxes pursuant to chapter 290 in the taxable year, *beginning after December 31, 1972*, in which the equipment is purchased, the excess amount may be carried forward to the four taxable years following the year of purchase. The entire amount of the credit not used in the year purchased shall be carried to the earliest of the four taxable years to which the credit may be carried and then to each of the three successive taxable years.

Sec. 2. Minnesota Statutes 1976, Section 290A.03, Subdivision 6, is amended to read:

Subd. 6. [HOMESTEAD.] "Homestead" means the dwelling occupied by a claimant as a place of residence and so much of the land surrounding it, not exceeding ~~one acre~~ *ten acres*, as is reasonably necessary for use of the dwelling as a home, except that this restriction shall not be applicable to agricultural land assessed as part of a homestead pursuant to section 273.13, subdivision 6. The homestead may be owned or rented and may be a part of a multi-dwelling or multi-purpose building and the land on which it is built. A mobile home, as defined in section 168.011, subdivision 8, assessed as personal property may be a dwelling for purposes of this subdivision.

Sec. 3. 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, *less any amount distributed under clause 8*, 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, 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 per 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) .20 cent per taxable ton shall be paid in 1979 and each year thereafter, to the range association of municipalities and schools, for the purpose of providing an area wide approach to problems which demand coordinated and cooperative actions and which are common to those areas of northeast Minnesota affected by operations involved in mining iron ore and taconite and producing concentrate therefrom, and for the purpose of promoting the general welfare and economic development of the cities, towns and school districts within the iron range area of northeast Minnesota.

~~(8)~~ (9) 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)~~ (10) the proceeds of the tax imposed by section 298.24 which remain after the distributions in clauses (1) to ~~(8)~~ (9) 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 sulphides 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 herein-after 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 sections 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 range association of municipalities and schools, 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. 4. Minnesota Statutes, 1977 Supplement, Section 298.293, is amended to read:

298.293 [DECLARATION OF EMERGENCY; EXPENDING FUNDS.] The funds provided by section 298.28, subdivision 1, clause (9), relating to the northeast Minnesota economic protection fund shall not be expended prior to (a) a declaration by the governor to the effect that the economic situation of northeast Minnesota requires remedial action by the legislature as a result of a decline in mineral-related activities, and (b) an appropriation of the funds by the legislature. The governor shall recommend to the legislature those measures that he believes will be appropriate in order to accomplish the purpose of his declaration. The funds provided by this fund may be spent only in those areas that are tax relief areas as defined in section 273.134. The funds provided by section 298.28, subdivision 1, clause (9), for this fund shall not be expended for this purpose prior to January 1, 2002. *If during any year the taconite property tax account under sections 273.134 to 273.136 does not contain sufficient funds to pay the property tax relief specified in Laws 1977, Chapter 423, Article X, Section 4, there is appropriated from this fund to the relief account sufficient funds to pay the relief specified in Laws 1977, Chapter 423, Article X, Section 4.*

Sec. 5. [EFFECTIVE DATE.] *Section 1 is effective for taxable years beginning after December 31, 1973. Section 2 is effective for claims based on rent paid in 1979 and subsequent years and property taxes payable in 1980 and subsequent years. Section 3 is effective July 1, 1978. Section 4 is effective for property taxes payable in 1979 and subsequent years.*

Further, strike the title and insert:

"A bill for an act relating to taxation; increasing income tax credits for certain taxpayers; removing sales tax from residential heating fuels; providing income tax credits for homemakers and members of the national guard; repealing the employers excise tax; reducing certain income tax rates; excluding certain retirement benefits from income taxation; providing for retroactive carryforward of feedlot pollution control credit; increasing the size of a homestead qualifying for property tax refund; providing for distribution of taconite production tax to the range association of municipalities and schools; providing funds for taconite property

tax relief account; appropriating money; amending Minnesota Statutes 1976, Sections 290.06, Subdivision 3d, and by adding subdivisions; 290A.03, Subdivision 6; 297A.25, Subdivision 1; and Minnesota Statutes, 1977 Supplement, Sections 290.01, Subdivision 20; 290.06, Subdivisions 2c, 3c and 9a; 290.37, Subdivision 1; 298.28, Subdivision 1; and 298.293; repealing Minnesota Statutes 1976, Sections 290.031, Subdivisions 1, 2, 3, 5 and 6; 290.921; 290.922; and Minnesota Statutes, 1977 Supplement, Sections 290.031, Subdivision 4; 290.08, Subdivision 6."

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) William N. Kelly, Martin O. Sabo, Irvin N. Anderson, Robert E. Vanasek, Henry J. Savelkoul.

Senate Conferees: (Signed) Bill McCutcheon, Marvin B. Hanson, Douglas J. Johnson, Eugene E. Stokowski, Douglas H. Sillers.

Mr. McCutcheon moved that the foregoing recommendations and Conference Committee Report on H. F. No. 2250 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H. F. No. 2250: A bill for an act relating to taxation; increasing income tax credits for certain taxpayers; removing sales tax from residential heating fuels; providing income tax credits for homemakers and members of the national guard; repealing the employers excise tax; reducing certain income tax rates; excluding certain retirement benefits from income taxation; providing for retroactive carryforward of feedlot pollution control credit; increasing the size of a homestead qualifying for property tax refund; providing for distribution of taconite production tax to the range association of municipalities and schools; providing funds for taconite property tax relief account; appropriating money; amending Minnesota Statutes 1976, Sections 290.06, Subdivision 3d, and by adding subdivisions; 290A.03, Subdivision 6; 297A.25, Subdivision 1; and Minnesota Statutes, 1977 Supplement, Sections 290.01, Subdivision 20; 290.06, Subdivisions 2c, 3c and 9a; 290.37, Subdivision 1; 298.28, Subdivision 1; and 298.293; repealing Minnesota Statutes 1976, Sections 290.031, Subdivisions 1, 2, 3, 5 and 6; 290.921; 290.922; and Minnesota Statutes, 1977 Supplement, Sections 290.031, Subdivision 4; 290.08, Subdivision 6.

Was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 61 and nays 1, as follows:

Those who voted in the affirmative were:

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

Mr. Merriam voted in the negative.

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

APPOINTMENTS

Mr. Coleman from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

H. F. No. 1707: Messrs. Tennessee, Jensen and Spear.

Mr. Coleman moved that the foregoing appointments be approved. The motion prevailed.

Without objection, the Senate reverted to the Order of Business of Reports of Committees and Second Reading of House Bills.

REPORTS OF COMMITTEES

Mr. Coleman from the Committee on Rules and Administration pursuant to the second paragraph of Rule 40 and on request of Mr. Chenoweth, first author of S. F. No. 63, companion file to H. F. No. 7, recommends that H. F. No. 7 be withdrawn from the Committee on Employment and be placed on General Orders.

Mr. Coleman moved the adoption of the foregoing committee report. The motion prevailed. Report adopted.

SECOND READING OF HOUSE BILLS

H. F. No. 7 was read the second time.

SUSPENSION OF RULES

Mr. Chenoweth moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to H. F. No. 7 and that the rules of the Senate be so far suspended as to give H. F. No. 7 its third reading and place it on its final passage.

The question was taken on the adoption of the motion.

Mr. Ulland, J. moved that those not voting be excused from voting.

The question was taken on the adoption of the Ulland, J. motion.

The roll was called, and there were yeas 19 and nays 42, as follows:

Those who voted in the affirmative were:

Ashbach	Engler	Knaak	Purfeerst	Sillers
Bernhagen	Frederick	Knutson	Renneke	Ueland, A.
Brataas	Keefe, J.	Olhoff	Schrom	Ulland, J.
Dunn	Kirchner	Olson	Sieloff	

Those who voted in the negative were:

Anderson	Hanson	Luther	Peterson	Strand
Benedict	Hughes	McCutcheon	Schaaf	Stumpf
Borden	Humphrey	Menning	Schmitz	Tennessen
Chenoweth	Johnson	Merriam	Setzepfandt	Vega
Chmielewski	Keefe, S.	Moe	Sikorski	Wegener
Coleman	Kleinbaum	Nelson	Solon	Willet
Dieterich	Knoll	Nichols	Spear	
Gearty	Laufenburger	Ogdahl	Staples	
Gunderson	Lessard	Penny	Stokowski	

The motion did not prevail.

Mr. Coleman moved that those not voting be excused from voting. The motion prevailed.

The question recurred on the Chenoweth motion.

The roll was called, and there were yeas 39 and nays 23, as follows:

Those who voted in the affirmative were:

Anderson	Gunderson	Laufenburger	Nelson	Solon
Benedict	Hanson	Lessard	Nichols	Spear
Borden	Hughes	Lewis	Ogdahl	Staples
Chenoweth	Humphrey	Luther	Peterson	Stokowski
Chmielewski	Johnson	McCutcheon	Schaaf	Stumpf
Coleman	Keefe, S.	Menning	Schmitz	Tennessen
Dieterich	Kirchner	Merriam	Setzepfandt	Vega
Gearty	Knoll	Moe	Sikorski	

Those who voted in the negative were:

Ashbach	Frederick	Olhoff	Schrom	Ulland, J.
Bernhagen	Keefe, J.	Olson	Sieloff	Wegener
Brataas	Kleinbaum	Penny	Sillers	Willet
Dunn	Knaak	Purfeerst	Strand	
Engler	Knutson	Renneke	Ueland, A.	

The Chenoweth motion did not prevail.

Without objection, the Senate reverted to the Order of Business of Messages From the House.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 2137 and repassed said bill in accordance with the report of the Committee, so adopted.

H. F. No. 2137: A bill for an act relating to natural resources;

concerning water resources; revising certain provisions concerning dams, reservoirs, control structures, and waterway obstructions; prescribing certain fees to finance safety examinations relating to such projects; appropriating money; amending Minnesota Statutes 1976, Sections 105.42, Subdivision 2; 105.482, Subdivision 2, and by adding a subdivision; 105.52; 105.53; Chapter 105, by adding a section; and Minnesota Statutes, 1977 Supplement, Sections 105.44, Subdivision 10; and 105.482, Subdivision 5.

House File No. 2137 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives
Transmitted March 23, 1978

CONFERENCE COMMITTEE REPORT ON H. F. NO. 2137

A bill for an act relating to natural resources; concerning water resources; revising certain provisions concerning dams, reservoirs, control structures, and waterway obstructions; prescribing certain fees to finance safety examinations relating to such projects; appropriating money; amending Minnesota Statutes 1976, Sections 105.42, Subdivision 2; 105.482, Subdivision 2, and by adding a subdivision; 105.52; 105.53; Chapter 105, by adding a section; and Minnesota Statutes, 1977 Supplement, Sections 105.44, Subdivision 10; and 105.482, Subdivision 5.

March 22, 1978

The Honorable Martin O. Sabo
Speaker of the House of Representatives

The Honorable Edward J. Gearty
President of the Senate

We, the undersigned conferees for H. F. No. 2137, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and H. F. No. 2137 be amended as follows:

Strike everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1976, Section 105.42, Subdivision 2, is amended to read:

Subd. 2. Nothing in this section shall prevent the owner of any dam, reservoir, control structure, or waterway obstruction from instituting repairs which are immediately necessary in case of emergency. However, the owner shall notify the commissioner at once of the emergency and of the emergency repairs being instituted and, as soon as practicable, shall apply for a permit for the emergency repairs and any necessary permanent repairs. Nothing in this section shall apply to routine maintenance, not affecting the safety of the structures.

In case of an emergency where the commissioner declares that repairs or remedial action is immediately necessary to safeguard

life and property, the repairs , *remedial action*, or both, shall be started immediately by the owner.

Sec. 2. Minnesota Statutes 1976, Section 105.482, Subdivision 2, is amended to read:

Subd. 2. [DEFINITION.] For the purposes of this section, the term "local governmental unit" means a county or city any political subdivision of the state , or any two or more of these units subdivisions acting jointly.

Sec. 3. Minnesota Statutes 1976, Section 105.482, is amended by adding a subdivision to read:

Subd. 7. *On the basis of his examinations of dams owned by the state or local governmental units, the commissioner shall report annually to the legislature those state or local governmental dams in need of repair or reconstruction in the order of priority he determines necessary considering danger to life, damage to property and those factors listed in subdivision 4.*

Sec. 4. Minnesota Statutes 1976, Section 105.52, is amended to read:

105.52 [EXAMINATION AND REPAIR OF DAMS AND RESERVOIRS.] Upon complaint or upon his own initiative, the commissioner is authorized to examine any reservoir, dam, control structure, or waterway obstruction. *In so doing the commissioner or his authorized agent shall be granted access at any reasonable time to examine the reservoir, dam, control structure, or waterway obstruction.* If the commissioner determines that additional engineering investigations are necessary in order to determine the safety of the dam, reservoir, control structure, or waterway obstruction and the nature and extent of the necessary repairs or alterations, he shall notify the owner thereof to cause such investigations to be made at the owner's expense and filed with the commissioner for his use in determining the condition of the structures and the need for the repair, alteration or removal thereof. If the commissioner determines that such reservoir, dam, control structure, or waterway obstruction is unsafe or needs repair or alteration, he shall notify the owner thereof to repair, alter, or remove the same as the exigencies of the case may require, and shall issue an order to that effect in the same manner and subject to the same conditions as if the owner had made application for permit for the said repairs, alterations, or removal. The engineering investigations or the work of repair, alteration, or removal shall be commenced and completed within such reasonable time as may be prescribed by the commissioner.

Sec. 5. Minnesota Statutes 1976, Chapter 105, is amended by adding a section to read:

[105.521] [DAM EXAMINATION REPORTS; LIMITATIONS ON TRANSFERS OF DAMS.] *No state department or agency and no county, city, town, or other governmental entity may purchase or accept as a gift any privately owned dam subject to permit requirements until after (1) the commissioner has examined the dam, (2) the commissioner has prepared a report*

of his examination and filed it with the legislature, and (3) the legislature has had an opportunity to consider the report and has not prohibited the purchase or gift during the legislative session in which the report is filed, or, if the report is filed when the legislature is not in session, the legislature has not prohibited the gift or purchase at the next succeeding session.

Sec. 6. Minnesota Statutes 1976, Section 105.53, is amended to read:

105.53 [APPLICATION.] Sections 105.37 to 105.55 shall not in any way supersede or amend the provisions of Minnesota Statutes 1945, Sections 92.45 and 110.13.

Nothing in sections 105.37 to 105.55 shall apply to authorize the commissioner to require a permit for the original construction of dams, reservoirs or control works in existence on and prior to July 1, 1937 ; except as may be necessary to protect the health and safety of the people of the state .

Sec. 7. [APPROPRIATION.] There is appropriated from the general fund to the commissioner of natural resources the sum of \$200,000 for the fiscal year ending June 30, 1979 for the examination of dams, reservoirs, control structures, and waterway obstructions. The sum of \$250,000 for the fiscal year ending June 30, 1979 is appropriated for the repair and reconstruction of state owned dams and for the state's share of grant-in-aid to local governmental units to repair and reconstruct dams. The commissioner of natural resources may increase the authorized personnel complement of the department of natural resources by not more than four positions to accomplish these purposes.

Sec. 8. The commissioner of natural resources shall promulgate rules pursuant to this act by April 1, 1979. These rules shall include provisions which exclude from permit requirements, minor dams such as those less than six feet in height or which impound less than 50 acre-feet of storage at maximum storage elevations. This does not apply to any such barrier which is not in excess of six feet in height, regardless of storage capacity or which has a storage capacity at maximum water storage elevation not in excess of 15 acre-feet, regardless of height. Rules shall include a fee schedule to cover the cost of dam inspection and shall classify structures to adequately define risks and hazards involved in relation to public health, safety and welfare. The rules shall not impose a field inspection fee on any state agency, political subdivision of the state or federal governmental agency.

Sec. 9. [EFFECTIVE DATE.] This act is effective the day following final enactment."

Further, strike the title and insert:

"A bill for an act relating to natural resources; concerning water resources; revising certain provisions concerning dams, reservoirs, control structures, and waterway obstructions; appropriating money; amending Minnesota Statutes 1976, Sections 105.42, Subdivision 2; 105.482, Subdivision 2, and by adding a subdivision; 105.52; 105.53; Chapter 105, by adding a section."

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Arlene I. Lehto, Wesley J. Skoglund, William D. Dean.

Senate Conferees: (Signed) Roger D. Moe, Gerald L. Willet, Robert G. Dunn.

Mr. Moe moved that the foregoing recommendations and Conference Committee Report on H. F. No. 2137 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H. F. No. 2137: A bill for an act relating to natural resources; concerning water resources; revising certain provisions concerning dams, reservoirs, control structures, and waterway obstructions; appropriating money; amending Minnesota Statutes 1976, Sections 105.42, Subdivision 2; 105.482, Subdivision 2, and by adding a subdivision; 105.52; 105.53; Chapter 105, by adding a section.

Was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

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

Those who voted in the affirmative were:

Ashbach	Gunderson	Knutson	Penny	Spear
Benedict	Hanson	Laufenburger	Peterson	Stokowski
Bernhagen	Hughes	Lessard	Renneke	Strand
Borden	Humphrey	Luther	Schaaf	Stumpf
Chenoweth	Johnson	Menning	Schmitz	Ueland, A.
Chmielewski	Keefe, J.	Merriam	Schrom	Ulland, J.
Dieterich	Keefe, S.	Moe	Setzepfandt	Wegener
Dunn	Kirchner	Ogdahl	Sieloff	Willet
Engler	Knaak	Olhoft	Sikorski	
Gearty	Knoll	Olson	Sillers	

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

MESSAGES FROM THE HOUSE—CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 1914 and repassed said bill in accordance with the report of the Committee, so adopted.

H. F. No. 1914: A bill for an act relating to Koochiching county; authorizing the county law library to be supported by judicially imposed fee charges.

House File No. 1914 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 23, 1978

CONFERENCE COMMITTEE REPORT ON H. F. NO. 1914

A bill for an act relating to Koochiching county; authorizing the county law library to be supported by judicially imposed fee charges.

March 22, 1978

The Honorable Martin O. Sabo
Speaker of the House of Representatives

The Honorable Edward J. Gearty
President of the Senate

We, the undersigned conferees for H. F. No. 1914, report that we have agreed upon the items in dispute and recommend as follows:

That H. F. No. 1914 be amended as follows:

Strike everything after the enacting clause and insert:

"Section 1. [KOOCHICHING COUNTY; LAW LIBRARY; JUDICIALLY IMPOSED FEES.] The board of county commissioners of the county of Koochiching may by resolution establish a fee system for the county law library. The library shall be for the use of the judges of the district and county courts, all county and municipal officials, the members of the bar and the inhabitants of the county.

Sec. 2. [MANAGEMENT.] The management of the library if the fee system authorized by section 1 is adopted shall be as provided in sections 1 to 7 and shall be under a board of three law library trustees, the members of which board shall serve without compensation and shall be appointed by the judges of the district and county courts in the county. The board shall first meet immediately after its appointment and shall hold its annual meeting thereafter on a day to be designated by the judges of the district and county courts in the county as the date of the annual meeting in each year, at which first meeting and at each annual meeting thereafter it shall select from its members a president and a secretary, who shall each hold his office until the following annual meeting. When the board is first appointed there shall be appointed one trustee whose term shall extend until the first annual meeting, one trustee whose term shall extend until the second annual meeting, and one trustee whose term shall extend until the third annual meeting of the board after such appointment. Immediately prior to each annual meeting there shall be appointed a trustee whose term shall commence at the annual meeting and extend until the third annual meeting after the annual meeting he takes his office. Vacancies in office shall be filled for the unexpired term.

Sec. 3. [BOARD OF TRUSTEES TO MAKE BYLAWS.] The board of trustees shall adopt and may from time to time thereafter amend and alter such bylaws, rules and regulations for the conduct of its business, the government of the library and the use thereof as shall be expedient and conformable to law. It may

accept on behalf of the county a gift, grant, devise or bequest, or the loan of books or other property for the use or purposes of the library, and carry out the conditions of the donation or loan. It may purchase books or other library facilities upon conditional sales contract, or otherwise, the purchase price therefor to be paid out of the county law library fund. The title to the library and the property thereof, except the books and property as shall be leased or loaned to it, shall vest and be in the county establishing the library. The board of trustees may sell or exchange items of the property of the library which it deems no longer suitable or advantageous for the purposes of the library, upon terms as it may deem best. It shall, before the second Monday of January of each year, file with the county auditor a report containing a detailed statement of the receipts and disbursements for the preceding year and a detailed inventory of the property belonging to the library and the property loaned or leased to it. The county board shall provide suitable rooms in the court house for the use of the library.

Sec. 4. [FEES FOR EXPENSES.] It shall be the duty of the clerk of the ninth judicial district and the duty of the clerk of court of the county court district of Koochiching to collect in each civil suit, action or proceeding filed in his court relating to Koochiching county, in the manner in which other fees are collected therein, and in addition thereto, as a county law library fee:

(a) The sum of \$5 from the plaintiff or person instituting the suit, action or proceedings at the time of the filing of the first paper therein, and

(b) The sum of \$5 from the defendant or other adverse or intervening party, or any one or more of several defendants or other adverse or intervening parties appearing separately from the others, to be collected when his or their appearance is entered in the action or proceeding or when the first paper on his or their part is filed therein.

The county law library fees shall be costs in the case and taxable as such. The provision of this section shall not apply to actions or proceedings commenced by the state, the county or any municipality, to garnishment proceedings, to the filing of transcripts, to compensation awards or to complaints in intervention in receivership proceedings.

Sec. 5. [PROBATE FEES.] It shall be the duty of the clerk of court of the county court district of Koochiching in each proceeding in the county court in the matter of the estate of a deceased person looking to the entry of a decree determining the descent of real estate or of a decree or order for distribution of the estate, except in summary administrative procedures for small estates pursuant to Minnesota Statutes, Sections 524.3-1203 or 524.3-1204 or in summary proceedings instituted pursuant to Minnesota Statutes, Section 525.51, to collect, as a county law library fee, the sum of \$5 from the petitioner instituting the proceeding at the time of the filing of the first petition therein. The disbursement shall be an item of expense of administration of the estate, entitling the petitioner to reimbursement therefor out of the estate.

Sec. 6. [COSTS AND DISBURSEMENTS TO INCLUDE LIBRARY FEE.] In Koochiching county there shall be included in the costs or disbursements assessed against the defendant convicted in the district court or county court of the violation of any statute or municipal ordinance, in all criminal prosecutions in which, upon conviction, the defendant may now or hereafter be subject to the payment of the costs or disbursements of the prosecution in addition to a fine or other penalty, the sum of \$5, as a county law library fee. Upon the payment of the costs or disbursements it shall be the duty of the clerk of the district court and the clerk of the county court in whose court the costs or disbursements are collected or paid, to report and remit the library fee at the time and in the manner specified in section 7. Provided, the item of costs or disbursements may not be assessed for any offense committed prior to the establishment of the county law library, and, provided further, that the item of costs or disbursements may not be assessed against any person convicted of a petty misdemeanor nor in any criminal case in which the fine assessed is \$10 or less.

Sec. 7. [FEES TO BE ALLOTTED TO LAW LIBRARY.] All county law library fees shall be allotted for the acquisition and maintenance of the law library. The clerk of the district court and the clerk of the county court making collection of the fees shall, prior to the fifth day of each month, make and file a report with the county auditor of all actions, proceedings and prosecutions in which the fees have been collected in his court during the preceding month, and the amount of the fees so collected, and pay the fees to the county treasurer, taking his receipt therefor. The county treasurer shall place all moneys so paid to him and all other moneys paid to him for the uses, benefit or purposes of the library in the county law library fund, and shall be authorized to disburse the moneys upon the order of the board of trustees, to pay the necessary expenses of acquiring, equipping and maintaining the library.

Sec. 8. [PENNINGTON COUNTY LAW LIBRARY; ESTABLISHMENT.] The board of county commissioners of the county of Pennington may by resolution establish a fee system for the county law library, for the use of the judges of the district and county courts, all county and municipal officials, the members of the bar and the inhabitants of the county.

Sec. 9. [MANAGEMENT.] The management of any library so established shall be under a board of three law library trustees, the members of which board shall serve without compensation and shall be appointed by the judges of the district and county courts in the county. The board shall first meet immediately after its appointment and shall hold its annual meeting thereafter on the first day of the first regular term of the district court in the county in each year, at which first meeting and at each annual meeting thereafter it shall select from its members a president and a secretary, who shall each hold his office until the following annual meeting. When the board is first appointed there shall be appointed one trustee whose term shall extend until the first annual meeting, one

trustee whose term shall extend until the second annual meeting, and one trustee whose term shall extend until the third annual meeting of the board after such appointment. Immediately prior to each annual meeting there shall be appointed a trustee whose term shall commence at the annual meeting and extend until the third annual meeting after the annual meeting he takes his office. Vacancies in office shall be filled for the unexpired term.

Sec. 10. [BOARD OF TRUSTEES TO MAKE BYLAWS.] The board of trustees shall adopt and may from time to time thereafter amend and alter such bylaws, rules and regulations for the conduct of its business, the government of the library and the use thereof as shall be expedient and conformable to law. It may accept on behalf of the county a gift, grant, devise or bequest, or the loan of books or other property for the use or purposes of the library, and carry out the conditions of the donation or loan. It may purchase books or other library facilities upon conditional sales contract, or otherwise, the purchase price therefor to be paid out of the county law library fund. The title to the library and the property thereof, except the books and property as shall be leased or loaned to it, shall vest and be in the county establishing the library. The board of trustees may sell or exchange items of the property of the library which it deems no longer suitable or advantageous for the purposes of the library, upon terms as it may deem best. It shall, before the second Monday of January of each year, file with the county auditor a report containing a detailed statement of the receipts and disbursements for the preceding year and a detailed inventory of the property belonging to the library and the property loaned or leased to it. The county board shall provide suitable rooms in the court house for the use of the library.

Sec. 11. [FEES FOR EXPENSES.] It shall be the duty of the clerk of the ninth judicial district and the duty of the clerk of court of the county court district of Marshall, Red Lake and Pennington to collect in each civil suit, action or proceeding filed in his court relating to Pennington county, in the manner in which other fees are collected therein, and in addition thereto, as a county law library fee:

(a) The sum of \$5 from the plaintiff or person instituting the suit, action or proceedings at the time of the filing of the first paper therein, and

(b) The sum of \$5 from the defendant or other adverse or intervening party, or any one or more of several defendants or other adverse or intervening parties appearing separately from the others, to be collected when his or their appearance is entered in the action or proceeding or when the first paper on his or their part is filed therein.

The county law library fees shall be costs in the case and taxable as such. The provisions of this section shall not apply to actions or proceedings commenced by the state, the county or any municipality, to garnishment proceedings, to the filing of transcripts, to compensation awards or to complaints in intervention in receivership proceedings.

Sec. 12. [PROBATE FEES.] It shall be the duty of the clerk of court of the county court district of Marshall, Red Lake and Pennington in each proceeding in the county court relating to Pennington county in the matter of the estate of a deceased person looking to the entry of a decree determining the descent of real estate or of a decree or order for distribution of the estate, except in summary administrative procedures for small estates pursuant to Minnesota Statutes, Sections 524.3-1203 or 524.3-1204 or in summary proceedings instituted pursuant to Minnesota Statutes, Section 525.51, to collect, as a county law library fee, the sum of \$5 from the petitioner instituting the proceeding at the time of the filing of the first petition therein. The disbursement shall be an item of expense of administration of the estate, entitling the petitioner to reimbursement therefor out of the estate.

Sec. 13. [COSTS AND DISBURSEMENTS TO INCLUDE LIBRARY FEE.] In Pennington county there shall be included in the costs or disbursements assessed against the defendant convicted in the district court or county court of the violation of any statute or municipal ordinance, in all criminal prosecutions in which, upon conviction, the defendant may now or hereafter be subject to the payment of the costs or disbursements of the prosecution in addition to a fine or other penalty, the sum of \$5, as a county law library fee. Upon the payment of the costs or disbursements it shall be the duty of the clerk of the district court and the clerk of the county court, in whose court the costs or disbursements are collected or paid, to report and remit the library fee at the time and in the manner specified in section 15. Provided, the item of costs or disbursements may not be assessed for any offense committed prior to the establishment of the county law library, and, provided further, that the item of costs or disbursements may not be assessed against any person convicted of a petty misdemeanor nor in any criminal case in which the fine assessed is \$10 or less.

Sec. 14. [FEES TO BE ALLOTTED TO LAW LIBRARY.] All county law library fees shall be allotted for the acquisition and maintenance of the law library. The clerk of the district court and the clerk of the county court making collection of the fees shall, prior to the fifth day of each month, make and file a report with the county auditor of all actions, proceedings and prosecutions in which the fees have been collected in his court during the preceding month, and the amount of the fees so collected, and pay the fees to the county treasurer, taking his receipt therefor. The county treasurer shall place all moneys so paid to him and all other moneys paid to him for the uses, benefit or purposes of the library in the county law library fund, and shall be authorized to disburse the moneys upon the order of the board of trustees, to pay the necessary expenses of acquiring, equipping and maintaining the library.

Sec. 15. [REPORT TO LEGISLATURE.] Subdivision 1. The judges of the ninth judicial district shall submit to the legislature by April 15, 1980 a comprehensive study of the law libraries within the judicial district. The study shall include, but not be limited to,

an examination of the use and location of law libraries within the district; the need for expanded law libraries; the current funding of the law libraries, and alternative methods of funding the libraries; and any other matters the judges deem appropriate.

Subd. 2. This section is effective the day following final enactment.

Sec. 16. Sections 1 to 7 are effective upon approval by the county board of Koochiching county, and upon compliance with Minnesota Statutes, Section 645.021.

Sec. 17. Sections 8 to 14 are effective upon approval by the county board of Pennington county, and upon compliance with Minnesota Statutes, Section 645.021."

Further strike the title and insert:

"A bill for an act relating to law libraries; providing for adjustments in respect to law libraries in Koochiching and Pennington counties; authorizing the county law library in those counties to be supported by judicially imposed fee charges on civil and certain criminal cases; requiring a report to the legislature by the judges of the ninth judicial district."

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Irvin N. Anderson, John Corbid, Bernard J. Brinkman.

Senate Conferees: (Signed) Bob Lessard, Marvin B. Hanson, Robert J. Tennessen.

Mr. Lessard moved that the foregoing recommendations and Conference Committee Report on H. F. No. 1914 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H. F. No. 1914: A bill for an act relating to law libraries; providing for adjustments in respect to law libraries in Koochiching and Pennington counties; authorizing the county law library in those counties to be supported by judicially imposed fee charges on civil and certain criminal cases; requiring a report to the legislature by the judges of the ninth judicial district.

Was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called and there were yeas 51 and nays 1, as follows:

Those who voted in the affirmative were:

Ashbach	Brataas	Dunn	Gunderson	Johnson
Benedict	Chenoweth	Engler	Hanson	Keefe, J.
Bernhagen	Chmielewski	Frederick	Hughes	Keefe, S.
Borden	Dieterich	Gearty	Humphrey	Kirchner

Kleinbaum	Menning	Olson	Sieloff	Ulland, J.
Knaak	Merriam	Penny	Solon	Wegener
Knoll	Moe	Purfeerst	Spear	Willet
Knutson	Nelson	Renneke	Strand	
Laufenburger	Nichols	Schaaf	Stumpf	
Lessard	Ogdahl	Schmitz	Tennesen	
Luther	Olhoff	Setzepfandt	Ueland, A.	

Mr. Stokowski voted in the negative.

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

MESSAGES FROM THE HOUSE—CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 933 and repassed said bill in accordance with the report of the Committee, so adopted.

H. F. No. 933: A bill for an act relating to Ramsey county; amending the Ramsey county code by rearranging certain provisions therein relating to welfare and by deleting obsolete provisions therein relating to welfare; amending Laws 1974, Chapter 435, Section 1.0204 and 3.13.

House File No. 933 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 23, 1978

CONFERENCE COMMITTEE REPORT ON H. F. NO. 933

A bill for an act relating to Ramsey county; amending the Ramsey county code by rearranging certain provisions therein relating to welfare and by deleting obsolete provisions therein relating to welfare; amending Laws 1974, Chapter 435, Sections 1.0204 and 3.13.

March 23, 1978

The Honorable Martin O. Sabo
Speaker of the House of Representatives

The Honorable Edward J. Gearty
President of the Senate

We, the undersigned conferees for H. F. No. 933, report that we have agreed upon the items in dispute and recommend as follows:

That the House accede to the amendments of the Senate.

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Maurice D. McCollar, Richard J. Kostohryz, Thomas C. Osthoff

Senate Conferees: (Signed) Peter P. Stumpf, Neil Dieterich, Robert O. Ashbach

Mr. Stumpf moved that the foregoing recommendations and Conference Committee Report on H. F. No. 933 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H. F. No. 933: A bill for an act relating to Ramsey county; amending the Ramsey county code by rearranging certain provisions therein relating to welfare and by deleting obsolete provisions therein relating to welfare; amending Laws 1974, Chapter 435, Sections 1.0204 and 3.13.

Was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 51 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Gunderson	Laufenburger	Penny	Strand
Ashbach	Hanson	Lessard	Peterson	Stumpf
Benedict	Hughes	Luther	Purfeerst	Tennessee
Bernhagen	Humphrey	McCutcheon	Renneke	Ueland, A.
Chenoweth	Johnson	Menning	Schaaf	Ulland, J.
Chmielewski	Keefe, J.	Moe	Schmitz	Wegener
Dieterich	Kirchner	Nelson	Setzepfandt	Willet
Dunn	Kleinbaum	Nichols	Sieloff	
Engler	Knaak	Ogdahl	Sillers	
Frederick	Knoll	Olhoff	Solon	
Gearty	Knutson	Olson	Stokowski	

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

MESSAGES FROM THE HOUSE—CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 2160 and repassed said bill in accordance with the report of the Committee, so adopted.

H. F. No. 2160: A bill for an act relating to retirement; various retirement funds; placing a general limitation on public retirement annuities, requiring a study and report; defining a term for purposes of the correctional employees plan; providing a proportionate annuity in certain instances; repealing a limitation on the average salary used for computing annuities; prospective discontinuation of the variable annuity program; modification in early retirement ages and reduction factors; increase in certain employee contributions; amending Minnesota Statutes 1976, Sections 352.116, Subdivision 1; 352.91, Subdivision 2; 353.30, Subdivisions 1 and 1b; 354.42, Subdivision 2; 354.44, Subdivisions 1, 6 and 7; 354.62, Subdivisions 1 and 2; and 354A.12; Chapters 354, by adding a section; and 356, by adding a section; and Minnesota

Statutes, 1977 Supplement, Section 422A.32, Subdivision 2; repealing Minnesota Statutes 1976, Section 356.34, as amended.

House File No. 2160 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 23, 1978

CONFERENCE COMMITTEE REPORT ON H. F. NO. 2160

A bill for an act relating to retirement; various retirement funds; placing a general limitation on public retirement annuities, requiring a study and report; defining a term for purposes of the correctional employees plan; providing a proportionate annuity in certain instances; repealing a limitation on the average salary used for computing annuities; prospective discontinuation of the variable annuity program; modification in early retirement ages and reduction factors; increase in certain employee contributions; amending Minnesota Statutes 1976, Sections 352.116, Subdivision 1; 352.91, Subdivision 2; 353.30, Subdivisions 1 and 1b; 354.42, Subdivision 2; 354.44, Subdivisions 1, 6 and 7; 354.62, Subdivisions 1 and 2; and 354A.12; Chapters 354, by adding a section; and 356, by adding a section; and Minnesota Statutes, 1977 Supplement, Section 422A.32, Subdivision 2; repealing Minnesota Statutes 1976, Section 356.34, as amended.

March 23, 1978

The Honorable Martin O. Sabo
Speaker of the House of Representatives

The Honorable Edward J. Gearty
President of the Senate

We, the undersigned conferees for H. F. No. 2160, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H. F. No. 2160 be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1976, Section 352.116, Subdivision 1, is amended to read:

352.116 [ANNUITIES UPON RETIREMENT.] Subdivision 1. [REDUCED ANNUITY BEFORE AGE 65.] Any employee who retires prior to age 65 shall be paid the normal retirement annuity provided in sections 352.115, subdivisions 2 and 3, or 352.715, subdivision 2, as the case may be, reduced by one-half of one percent for each month that the employee is under age 65 on the last day for which he is entitled to service credit as provided in section 352.01, subdivision 11, clause (3), or the date state service terminated, or the date the application for the annuity is filed with the director, whichever is later, so that the reduced annuity

shall be the actuarial equivalent of the annuity which would be payable to the employee if the employee deferred receipt of the annuity from the day the annuity begins to accrue to age 65, provided however that if an employee is entitled to credit for not less than 30 years allowable service, such reduction shall be applied only for each month the employee is under the retirement annuity shall be reduced so that the reduced annuity shall be the actuarial equivalent of the annuity which would be payable to the employee if the employee deferred receipt of the annuity from the day the annuity begins to accrue to age 62.

Sec. 2. Minnesota Statutes 1976, Section 352.91, Subdivision 2, is amended to read:

Subd. 2. Covered correctional service shall also mean service rendered at any time by state employees as special teachers, tradesmen and maintenance personnel certified by the commissioner of personnel as being regularly engaged in rehabilitation, treatment, custody or supervision of inmates employed at the Minnesota state reformatory for men, the state prison and the Minnesota correctional institution for women on or after July 1, 1974, other than any such employees who are 62 years of age or older as of July 1, 1974. For each special teacher who on July 1, 1974 is employed at one of the foregoing institutions and is a member of the teachers retirement association, the teachers retirement association shall transfer to the Minnesota state retirement system an amount equal to accumulated employee and employer contributions, including any additional employer contributions on behalf of such employee. *The term special teacher shall also include the classifications of institution educational administrator and supervisor.*

Sec. 3. Minnesota Statutes 1976, Section 354.42, Subdivision 2, is amended to read:

Subd. 2. The employee contribution to the fund shall be an amount equal to four *and one half* percent of the salary of every coordinated member and eight *and one half* percent of the salary of every basic member. This contribution shall be made by deduction from salary. Where any portion of a member's salary is paid from other than public funds, such member's employee contribution shall be based on the entire salary received. For purposes of financing the various options related to the variable annuity division, employee variable annuity contributions will be credited in accordance with section 354.62, subdivision 2.

Sec. 4. Minnesota Statutes 1976, Section 354.44, Subdivision 7, is amended to read:

Subd. 7. [COMPUTATION OF FORMULA AND VARIABLE PROGRAM RETIREMENT ANNUITY.] The benefits provided in this subdivision are the sum of the benefits provided by the following:

(1) The benefits provided in subdivision 6(2) for formula service credit prior to the effective date of the *original* election of this

subdivision and subsequent to June 30, 1978 unless the member elects continued participation in the variable program pursuant to section 7 of this act, and

(2) The benefits for service credit subsequent to the effective date of the formula and variable program *but prior to July 1, 1978 and the benefits for service credit subsequent to June 30, 1978 if the member elects continued participation in the variable program pursuant to section 7 of this act*, shall be the average salary as defined in subdivision 6, clause (1) of any member multiplied by the following percentages per year of formula service credit,

	Coordinated Member	Basic Member
Each year of service during first ten	.5 percent per year	1.0 percent per year
Each year of service thereafter	.75 percent per year	1.25 percent per year, and

(3) the benefits provided in section 354.62, subdivision 5.

Sec. 5. Minnesota Statutes 1976, Section 354.62, Subdivision 1, is amended to read:

354.62 [PARTICIPATION IN MINNESOTA VARIABLE ANNUITY FUND.] Subdivision 1. **[AUTHORIZATION.]** There is hereby established within the basic and coordinated systems of the state teachers retirement association a new division known as the variable annuity division. The assets of this division shall be invested in the Minnesota variable annuity fund.

Sec. 6. Minnesota Statutes 1976, Section 354.62, Subdivision 2, is amended to read:

Subd. 2. [INDIVIDUAL ELECTION.] Each member of the teachers retirement association may elect to participate in the variable annuity division by filing a written notice with the board of trustees on forms provided by the board.

(1) Employee variable annuity contributions to the variable annuity division shall be pursuant to the option available in section 354.44, subdivision 7, the employee variable annuity contributions shall be an amount equal to two percent of the salary of every coordinated member and four percent of the salary of every basic member.

(2) Employer variable annuity contributions shall be an amount equal to the employee variable annuity contributions provided in clause (1). The deficiency in equal employer variable annuity contributions which shall exist prior to July 1, 1975 shall be recovered from the additional employer contributions made prior to July 1, 1975 pursuant to section 354.42, subdivision 5.

(3) There shall be provided for members participating in the variable annuity division a separate account for each member which will show his variable account accumulations as defined in section 354.05, subdivision 23. The board shall establish such other accounts in the variable annuity division as it deems necessary for the operation of this provision.

(4) After June 30, 1974 there shall be no new participants in this program.

(5) *Effective July 1, 1978, no future employee and employer contributions shall be credited to any accounts in the variable annuity division unless the member elects continued participation in the variable annuity division pursuant to section 7 of this act.*

Sec. 7. Minnesota Statutes 1976, Chapter 354, is amended by adding a section to read:

[354.621] [ELECTION OF CONTINUED PARTICIPATION IN THE VARIABLE ANNUITY DIVISION.] *Any active member participating in the variable annuity division shall be entitled to elect to continue having employee and employer contributions credited to accounts in the variable annuity division notwithstanding section 354.62, subdivision 2, clause (5). The election to continue participation shall be made in writing on or before June 30, 1978.*

Sec. 8. Minnesota Statutes 1976, Section 354A.12, is amended to read:

354A.12 [STATE PAYMENTS TO RETIREMENT FUND ASSOCIATIONS IN CITIES OF THE FIRST CLASS.] Notwithstanding any law to the contrary, for taxes levied in 1975 payable in 1976 and thereafter, levies for teachers retirement fund associations in cities of the first class, including levies for any employer social security taxes for teachers covered by a fully or partially coordinated teachers retirement social security fund, are disallowed and the state shall assume the total employer obligation. Effective July 1, 1975 the state shall pay to said retirement fund association an employer contribution equal to the amount, expressed as a percentage of payroll, that the state of Minnesota is required to pay for all contributing members of the state teachers retirement association including social security taxes, in accordance with the provisions of Minnesota Statutes 1974, Section 354A.07, Subdivisions 3, 3a and 4, except that:

(1) employer contributions which are paid to the retirement fund associations pursuant to this section shall be appropriated and remitted directly to said retirement fund associations each month in accordance with the procedures described in section 354.43, subdivisions 1, 2, and 5; and

(2) with respect to any city of the first class having a fully or partially coordinated teachers retirement fund association, employer social security taxes on salaries paid after June 30, 1975 shall be paid by the state in accordance with the provisions of section 355.46, subdivision 3, clause (b), and employer contributions to said retirement fund association shall be reduced by the amount of such taxes. *Effective March 1, 1976, The contribution required to be paid by each coordinated member of a teachers retirement fund association in a city of the first class which does have a fully or partially coordinated teachers retirement social security fund shall not be less than four percent of total salary, the contribution required to be paid by each coordinated member of a*

teachers retirement fund association which does have a partially coordinated teachers retirement social security fund shall not be less than four and one half percent of total salary and the contribution required to be paid by each basic member of a teachers retirement fund association in a city of the first class which does not have a fully coordinated teachers retirement social security fund shall not be less than eight percent of total salary. No change in bylaws or articles of incorporation affecting benefits, contributions or actuarial assumptions shall be made without approval by the legislature. Notwithstanding any provision of the articles or bylaws, amendments may be made at the annual meeting called for such purpose, without further local approval.

Sec. 9. Minnesota Statutes 1976, Chapter 356, is amended by adding a section to read:

[356.60] [LIMITATION OF PUBLIC RETIREMENT ANNUITIES.] *Subdivision 1. [DEFINITIONS.] For purposes of this section, unless the context clearly indicates otherwise, the following terms shall have the meanings given to them:*

(a) *"Public pension plan" is any Minnesota public pension plan or fund, including any plan or fund enumerated in sections 356.21, subdivision 2, or 356.30, subdivision 3, any local police or firefighter's relief association to which section 69.77 applies, or any retirement or pension plan or fund, including a supplemental retirement plan or fund, established, maintained or supported by any governmental subdivision or public body whose revenues are derived from taxation, fees, assessments or from other public sources, which provides pension or retirement coverage for public employees other than volunteer firefighters.*

(b) *"Year of covered service" is a year of covered, credited or allowable service as defined by a public pension plan which provides formula pension or retirement benefits, or a period of 12 consecutive months of service commencing with the date or anniversary date of membership with a public pension plan or program which does not provide formula or other defined benefits and for which contributions on behalf of the covered employee or member have been made.*

Subd. 2. [SERVICE MAXIMUM.] Notwithstanding any provisions to the contrary of the laws, bylaws, articles of incorporation, retirement and disability allowance plan agreements or retirement plan contracts, no person who has pension or retirement coverage by a public pension plan shall, except as provided in subdivision 3, be entitled to accrue additional pension or retirement credit, receive credit for additional pension or retirement contributions in a nonformula public pension plan, repay additional refunds, or purchase additional prior service credit in excess of a cumulative total of 40 years of covered service.

If a person has service in more than one public pension plan, all years or portions of years of covered service shall be included in computing the cumulative maximum of 40 years of covered service. For any period of time during which a person simultaneously has a year or a fraction of a year of covered service in more than

one public pension plan, the years of covered service in each applicable public pension plan shall be included in computing the cumulative maximum of 40 years of covered service unless the simultaneous covered service is the result of two part time employments, in which case each applicable public pension plan shall split each year of covered service on a pro rata basis. If the simultaneous covered service is the result of primary and principal pension plan coverage and supplemental pension plan coverage based on the same employment and contributed to by the same public employer, then a year of service credited in each shall be considered together as a single year of covered service in computing the cumulative maximum.

Subd. 3. [EXCEPTION TO MAXIMUM.] For any person who, as of the effective date of this section, has covered service in a public pension plan in excess of a cumulative total of 40 years, the provisions of subdivision 2 shall apply to any additional years of covered service occurring after the effective date of this section.

Sec. 10. Minnesota Statutes, 1977 Supplement, Section 422A.32, Subdivision 2, is amended to read:

Subd. 2. [REDUCED RETIREMENT ANNUITY.] Upon separation from service, any coordinated employee who has attained the age of at least 58 years and who has received credit for not less than 20 years of service is entitled upon application to a retirement annuity in an amount equal to the normal coordinated retirement annuity reduced by one half of one percent for each month that a coordinated employee is under age 65 at the time of retirement so that the reduced annuity shall be the actuarial equivalent of the annuity which would be payable to the coordinated employee if the coordinated employee deferred receipt of the annuity from the date of retirement to age 65 ; provided however that for any coordinated employee who has received credit for 30 or more years of service who applies for a retirement annuity, such reduction the normal coordinated retirement annuity shall be applied for each month that the coordinated employee is under reduced so that the reduced annuity shall be the actuarial equivalent of the annuity which would be payable to the coordinated employee if the coordinated employee deferred receipt of the annuity from the date of retirement to age 62 at the time of retirement.

Sec. 11. Any person who was employed by the city of Minneapolis between February 15, 1972 and March 15, 1972, who attained the age of 65 years on December 17, 1974, who was excluded from membership in the Minneapolis municipal employees retirement fund during the period of his employment, and who was terminated from employment by the city of Minneapolis on December 30, 1976, shall be entitled to purchase four years and ten months of service credit in the Minneapolis municipal employees retirement fund. To purchase the prior service credit, the person shall be required to make an employee contribution to the executive secretary of the Minneapolis municipal employees retirement fund in an amount equal to the employee contribution rate in effect and on the salaries in effect during the period of prior service plus interest at the rate of six percent per annum compounded

annually from the date the contribution would otherwise have been made to the date the payment is made. Upon the completion by the person of the payment required by this action, the city of Minneapolis shall make an employer contribution to the executive secretary of the Minneapolis municipal employees retirement fund in an amount equal to the employer and employer additional contribution rates in effect and on the salaries in effect during the period of prior service plus interest at the rate of six percent per annum compounded annually from the date the contributions would otherwise have been made to the date the payment is made. In addition, the person making the purchase of prior service pursuant to this section shall be entitled to receive a proportionate annuity pursuant to Minnesota Statutes, Section 356.32, Subdivision 1, notwithstanding the fact that the person did not retire at age 65. The annuity shall be payable on the first day of the month next following the completion of the purchase of prior service, and the first check or warrant shall include payment retroactive January 1, 1977.

Sec. 12. [STUDY OF OVERTIME ABUSES AND RETIREMENT.] The commissioner of personnel shall complete a study and shall make an interim report to the legislative commission on pensions and retirement on or before November 15, 1978 on the subject of overtime compensation and extraordinary payment abuses affecting public retirement annuities. The study and report shall consist of an examination of the salary histories of a random sampling of persons from the various departments, divisions and agencies of state government who have retired in the period January 1, 1975 to December 31, 1977, contrasting variations in the compensation paid during the final five years of service with the compensation paid during the preceding ten years of employment. The examination shall attempt to isolate the effect of any overtime compensation and other extraordinary payments. The persons utilized in the random sample shall not be identified in the report or any materials for public release. The Minnesota state retirement system shall furnish information requested by the commissioner of personnel in connection with this study.

Sec. 13. Minnesota Statutes 1976, Section 356.34, as amended by Laws 1977, Chapter 429, Section 49, is repealed.

Sec. 14. [EFFECTIVE DATE.] Sections 2, 4, 5, 6, 7, 9, 11, 12 and 13 are effective the day following final enactment. Sections 1 and 10 are effective April 1, 1979. Sections 3 and 8 are effective July 1, 1979."

Further, amend the title as follows:

Page 1, line 14, delete everything after the first semicolon

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) David J. Beauchamp, Al W. Patton, Donald M. Moe.

Senate Conferees: (Signed) Eugene E. Stokowski, Harmon T. Ogdahl, Roger E. Strand.

Mr. Stokowski moved that the foregoing recommendations and

Conference Committee Report on H. F. No. 2160 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H. F. No. 2160: A bill for an act relating to retirement; various retirement funds; placing a general limitation on public retirement annuities, requiring a study and report; defining a term for purposes of the correctional employees plan; providing a proportionate annuity in certain instances; repealing a limitation on the average salary used for computing annuities; prospective discontinuation of the variable annuity program; modification in early retirement ages and reduction factors; increase in certain employee contributions; amending Minnesota Statutes 1976, Sections 352.116, Subdivision 1; 352.91, Subdivision 2; 354.42, Subdivision 2; 354.44, Subdivisions 1, 6 and 7; 354.62, Subdivisions 1 and 2; and 354A.12; Chapters 354, by adding a section; and 356, by adding a section; and Minnesota Statutes, 1977 Supplement, Section 422A.32, Subdivision 2; repealing Minnesota Statutes 1976, Section 356.34, as amended.

Was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 53 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Gunderson	Knutson	Olson	Spear
Ashbach	Hanson	Laufenburger	Penny	Stokowski
Bernhagen	Hughes	Lessard	Peterson	Strand
Borden	Humphrey	Luther	Purfeerst	Stumpf
Chenoweth	Johnson	McCutcheon	Renneke	Tennessen
Chmielewski	Keefe, J.	Menning	Schaaf	Ueland, A.
Dieterich	Keefe, S.	Moe	Schmitz	Ulland, J.
Dunn	Kirchner	Nelson	Schrom	Wegener
Engler	Kleinbaum	Nichols	Setzepfandt	Willet
Frederick	Knaak	Ogdahl	Sieloff	
Gearty	Knoll	Olhoff	Solon	

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

MESSAGES FROM THE HOUSE—CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 1191 and repassed said bill in accordance with the report of the Committee, so adopted.

H. F. No. 1191: A bill for an act relating to taxation; creating special districts to be called tax increment financing districts; providing for tax increment financing of renewal and development projects; amending Minnesota Statutes 1976, Chapter 273, by adding sections; Sections 458.192, Subdivision 11; 462.585, Subdivision 1; 472A.06; 473F.02, Subdivision 3; 474.10, Subdivi-

sion 2; and repealing Minnesota Statutes 1976, Sections 458.192, Subdivision 12; 462.545, Subdivision 5; 462.585, Subdivisions 2, 3 and 4; 472A.07; and 472A.08.

House File No. 1191 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 23, 1978

CONFERENCE COMMITTEE REPORT ON H. F. NO. 1191

A bill for an act relating to taxation; creating special districts to be called tax increment financing districts; providing for tax increment financing of renewal and development projects; amending Minnesota Statutes 1976, Chapter 273, by adding sections; Sections 458.192, Subdivision 11; 462.585, Subdivision 1; 472A.06; 473F.02, Subdivision 3; 474.10, Subdivision 2; and repealing Minnesota Statutes 1976, Sections 458.192, Subdivision 12; 462.545, Subdivision 5; 462.585, Subdivisions 2, 3 and 4; 472A.07; and 472A.08.

March 23, 1978

The Honorable Martin O. Sabo
Speaker of the House of Representatives

The Honorable Edward J. Gearty
President of the Senate

We, the undersigned conferees for H. F. No. 1191, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H. F. No. 1191 be amended as follows:

Strike everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1976, Chapter 273, is amended by adding a section to read:

[273.71] [CITATION.] *Sections 1 to 15 may be cited as the Minnesota tax increment financing act.*

Sec. 2. Minnesota Statutes 1976, Chapter 273, is amended by adding a section to read:

[273.72] *Subdivision 1. [DEFINITIONS.] For the purposes of sections 1 to 15, the terms defined in this section shall have the meanings given them.*

Subd. 2. [AUTHORITY.] "Authority" means a housing and redevelopment authority created pursuant to chapter 462; a port authority created pursuant to chapter 458; a redevelopment agency as defined by chapter 474; a rural development finance authority established pursuant to chapter 362A; or a municipality which has formed or is administering a development district created pursuant to chapter 472A or any special law, which undertakes a

project pursuant to chapter 474 or which exercises the powers of a port authority pursuant to any general or special law.

Subd. 3. [BONDS.] "Bonds" means any bonds, including but not limited to refunding bonds, notes, interim certificates, debentures, or other obligations issued by an authority under sections 11 to 13 after the effective date of this act.

Subd. 4. [MUNICIPALITY.] "Municipality" means any statutory or home rule charter city, and, with respect to a project undertaken pursuant to chapter 474, "municipality" has the meaning given in chapter 474. In the case of a rural development finance authority established pursuant to chapter 362A, "municipality" means a county.

Subd. 5. [GOVERNING BODY.] "Governing body" means the duly elected council or board of a municipality.

Subd. 6. [ORIGINAL ASSESSED VALUE.] "Original assessed value" means the assessed value of all taxable real property within a tax increment district as most recently determined as of the date of request by the authority for certification by the county auditor pursuant to section 7, subdivision 1. The value of the property which is exempt from taxation at the time of the request shall be zero.

Subd. 7. [CAPTURED ASSESSED VALUE.] "Captured assessed value" means any amount by which the current assessed value of a tax increment district exceeds the original assessed value.

Subd. 8. [TAX INCREMENT PROJECT.] "Tax increment project" is a redevelopment project as defined in subdivision 10; an economic development project as defined in subdivision 12, or a housing project as defined in subdivision 11 which is located within a tax increment district.

Subd. 9. [PUBLIC IMPROVEMENT DISTRICT.] "Public improvement district" means an area in which there exist substandard conditions of land or structures, unsafe and unsanitary housing and buildings and structures used or intended to be used for living, commercial, industrial or other purposes or any combination of those uses which, by reason of sociological and technological changes, dilapidation, obsolescence, overcrowding and faulty arrangement or design of building and improvements, lack of public facilities, ventilation, light and sanitary facilities, excessive land coverage, deleterious land use, or obsolete layout, or any combination of these and other factors which inflict blight upon the economic value of large areas, impair the value of private investments, threaten the source of public revenues while decentralizing communities to areas improperly planned and not related to public facilities, and require many persons of low income to occupy unsafe, unsanitary, and overcrowded dwellings.

Subd. 10. [REDEVELOPMENT PROJECT.] "Redevelopment project" means a project which is located in a public improvement district within which:

(i) The city council finds by resolution that one of the following conditions, reasonably distributed throughout the project area, exists:

(a) More than 50 percent of the buildings, not including out-buildings, are structurally substandard to a degree requiring substantial renovation or clearance. "Structurally substandard" shall mean containing defects in structural elements or a combination of deficiencies in essential utilities and facilities, light and ventilation, fire protection including adequate egress, layout and condition of interior partitions, or similar factors, which defects or deficiencies are of sufficient total significance to justify substantial renovation or clearance; or

(b) 20 percent of the buildings are structurally substandard as defined in clause (a) and an additional 30 percent of the buildings are found to require substantial renovation or clearance in order to remove such existing conditions as: inadequate street layout, incompatible uses or land use relationships, overcrowding of buildings on the land, excessive dwelling unit density, obsolete buildings not suitable for improvement or conversion, or other identified hazards to the health, safety and general well being of the community; or

(c) parcels of land not predominantly occupied by buildings, streets, utilities or other improvements, but only when 80 percent of the total acreage of the vacant parcels has a fair market value upon inclusion in the project which, when added to the estimated cost of preparing the parcel for use exceeds its anticipated fair market value after completion of the site preparation; or

(ii) The project is located entirely within an area in which the total market value of taxable real property in the area has declined, or increased less than one percent in the three years immediately preceding approval of the project.

Subd. 11. [HOUSING PROJECT.] "Housing project" means a project, or that part of a project, intended for occupancy primarily by persons or families of low and moderate income, as defined in chapter 462A, Title II of the National Housing Act of 1934, the National Housing Act of 1959, the United States Housing Act of 1937, as amended, Title V of the Housing Act of 1949, as amended, or the regulations promulgated under any of those acts. Residential construction which does not provide housing intended for occupancy primarily by persons or families of low and moderate income may be included in redevelopment or economic development projects.

Subd. 12. [ECONOMIC DEVELOPMENT PROJECT.] "Economic development project" means any project not meeting the requirements found in the definition of "redevelopment project" or "housing project".

Subd. 13. [ADMINISTRATIVE EXPENSES.] "Administrative expenses" means all expenditures of an authority other than amounts paid for the purchase of land or amounts paid to contractors or others providing materials and services, including architectural and engineering services directly connected with the physical development of the real property in the project, relocation benefits

paid to persons residing or businesses located in the project area, or amounts used to pay interest on, fund a reserve for, or sell at a discount bonds issued pursuant to sections 1 to 15.

Subd. 14. [TAX INCREMENT DISTRICT.] *"Tax increment district" means a geographic area from which tax increments are derived to finance one or more tax increment projects. A tax increment district may include noncontiguous parcels.*

Sec. 3. Minnesota Statutes 1976, Chapter 273, is amended by adding a section to read:

[273.73] [ESTABLISHMENT OF PUBLIC IMPROVEMENT DISTRICT.] *Subdivision 1. [FINDINGS.] The governing body of a municipality may by resolution designate an area within its boundaries to be a public improvement district if it finds that blighting conditions, as described in section 1, subdivision 9, exist throughout the area. Detailed, specific written findings of those conditions shall be made and adopted.*

Subd. 2. [PLAN FOR PUBLIC IMPROVEMENT DISTRICT PROGRAM; CONTENTS.] *When designating an area to be a public improvement district, the governing body shall propose a plan for the area. The public improvement district plan shall contain a detailed statement of the objectives of the municipality for improvement of the public improvement district. The plan shall include a description of proposed public facilities and open space to be created and the proposed use of the property within the district. It shall contain estimates of the following: cost of any private and public projects; sources of revenue to finance these costs including estimates of tax increments for any tax increment projects; amount of bonded indebtedness to be incurred; and the duration of any tax increment projects.*

Subd. 3. [OPPORTUNITY FOR PRIVATE ENTERPRISE.] *The plan for the public improvement district shall afford maximum opportunity for participation by private enterprise.*

Subd. 4. [PUBLIC HEARING.] *Before approving a public improvement district plan, the governing body shall hold a public hearing on the plan. Notice of the hearing shall be published in a newspaper of general circulation in the municipality at least once not less than ten days nor more than 30 days prior to the date of hearing. The authority shall make the plan available to the public at least 15 days prior to the date of the public hearing.*

Subd. 5. [PLANNING AGENCY APPROVAL.] *The governing body of the municipality shall furnish the planning agency or commission of the municipality with a copy of the public improvement district plan. No plan may be adopted by the municipality until the planning agency or commission has reviewed the tax increment financing plan and commented as to its conformance with the general plan for the development of the municipality or 60 days have passed from the date of submission of the plan to the agency or commission.*

Sec. 4. Minnesota Statutes 1976, Chapter 273, is amended by adding a section to read:

[273.74] [INTERVAL BEFORE REDEVELOPMENT ACTIVITY.] *Planning and preliminary procedures relating to the development of a tax increment financing plan pursuant to section 5 may be carried on during the time when the procedure described in section 3 is being conducted; provided that no tax increment financing project may be approved within a public improvement district until at least 90 days have passed from the date of final approval of a public improvement plan by the governing body of a municipality pursuant to section 3.*

Sec. 5. Minnesota Statutes 1976, Chapter 273, is amended by adding a section to read:

[273.75] [APPROVAL OF USE OF TAX INCREMENT FINANCING.] *Subdivision 1. [APPROVAL BY GOVERNING BODY.] No county auditor shall certify the value of a tax increment district until the tax increment financing plan proposed for that district has been approved by the governing body of the municipality in which the project is proposed to be located. If an authority which proposes to establish a tax increment project and the governing body of the municipality are not the same, the authority shall apply to the governing body of the municipality in which the project would be located and shall obtain the approval of its tax increment financing plan by the governing body before the authority may use tax increment financing.*

Subd. 2. [TAX INCREMENT FINANCING PLAN.] In the application, the authority shall furnish the governing body with its plan for the use of tax increment financing. The tax increment financing plan submitted to the governing body for its approval shall include findings made by the authority that the use of tax increment financing in the proposed tax increment district is necessary because of the lack of private investment activity in the area. If the project is proposed to be located in a public improvement district, the plan shall include a finding that the tax increment financing plan conforms to the public improvement district plan of the municipality. The specific factual bases for these findings shall be set forth. The plan shall also contain the following information: a statement by the authority of the objectives of the project; the development program for the project; estimates of the following: cost of the project, including administrative expenses; amount of bonded indebtedness to be incurred; sources of revenue to finance project costs; the original assessed value of property in the project; and the projected captured assessed value of the project at the time of its completion. If the authority proposes to use only a portion of the captured assessed value of a district for tax increment financing purposes, the plan shall state what portion is proposed to be used.

Subd. 3. [PUBLIC HEARING.] Before approving a tax increment financing plan the governing body shall hold a public hearing on the plan. Notice of the hearing shall be published in a newspaper of general circulation in the municipality at least twice no less than ten days nor more than 30 days prior to the date of the hearing. The authority shall make the plan available to the public at least 30 days prior to the date of the public hearing.

Subd. 4. [NOTICE TO LOCAL BOARDS; STATE PLANNING AGENCY.] At least thirty days prior to the date of the public hearing held pursuant to subdivision 3, the school board and board of county commissioners of the school district and county within which the tax increment project is proposed to be located, the state planning agency, and, if the proposed project is located in the metropolitan area defined in section 473.121, subdivision 2, the metropolitan council, shall be furnished with copies of the tax increment financing plan. A representative of the state planning agency may comment and a representative of each other board and agency receiving the plan shall comment on the plan at the public hearing. Absence of comment shall not prevent approval of a plan nor invalidate bonds issued to finance its execution.

Subd. 5. [APPROVAL BY GOVERNING BODY.] No bonds shall be issued to finance a tax increment project unless the authority has concluded an agreement or agreements with one or more developers which provide for the execution of the project plan covering in the case of a housing or economic development project, 85 percent or in the case of a redevelopment project, 75 percent of the area of the proposed project and which provide recourse for the authority against the developer should the execution of the project plan fail because of the default of the developer. A copy of the agreement shall be submitted to and approved by the governing body. No plan shall be approved unless the governing body finds that the proposed project will not contribute to urban sprawl. Any proposal to use tax increment financing in relation to any previously unincorporated real property annexed by the municipality pursuant to chapter 414 within three years prior to the date of the application shall be deemed to contribute to urban sprawl. If the authority and the governing body of the municipality are not the same, the governing body shall within 90 days after submission of the application or resubmission as provided herein, give written notice to the authority of its decision with respect to the tax increment financing plan. If approval is not given within 90 days the application shall be deemed to have been rejected. A plan which has not been approved by the governing body when submitted to it may be again submitted to it with such modifications as are necessary to meet its objections.

Subd. 6. [MODIFICATION OF PLAN.] Any tax increment financing plan may be modified by an authority. Any enlargement of geographic area, increase in amount of bonded indebtedness to be incurred, increase in the portion of the captured assessed value to be retained by the authority or use of revenues derived from any district in the municipality, if not included in the original tax increment financing plan, shall be approved by the governing body of the municipality upon notice and after public hearing as are required pursuant to the provisions of subdivision 3.

The original assessed value of any taxable real property added to a tax increment project pursuant to this subdivision shall be the assessed value of that real property as most recently determined prior to the modification of the financing plan which added the property.

If property which is added to a project pursuant to this subdivision is exempt from taxation at the time of its addition to the project, the value of the parcel shall be added to the base at zero.

Subd. 7. [ELIMINATION OF TAX-EXEMPT PROPERTY.] *If, at any time after certification of the original assessed value of a tax increment district pursuant to section 7, a parcel located within the district is acquired by an owner who pays gross earnings tax in lieu of property tax, so that the parcel becomes exempt from property taxation, an authority may eliminate that parcel from the district. Upon application of the authority, the county auditor shall reduce the original assessed value of the district by the amount of the value of that parcel at the time of certification of the district.*

Sec. 6. Minnesota Statutes 1976, Chapter 273, is amended by adding a section to read:

[273.76] [LIMITATION ON INCREMENTS.] *If, after five years from the date of certification of the value of the tax increment district pursuant to section 7, no demolition, rehabilitation or renovation of property or other site preparation, including improvement of a street adjacent to a parcel in the district but not installation of utility service property has been commenced on a parcel located within a project by the authority or by the owner of the property in accordance with the tax increment financing plan, no additional tax increments may be taken from that parcel, and the original assessed value of that parcel shall be excluded from the certified value of the tax increment district. If the authority subsequently commences demolition, rehabilitation or renovation or other site preparation on that parcel in accordance with the tax increment financing plan, the authority shall certify to the county auditor that the activity has commenced, and the parcel may be added into the tax increment district. The county auditor shall certify the most recently assessed value of that parcel and add it to the original assessed value of the tax increment district.*

Sec. 7. Minnesota Statutes 1976, Chapter 273, is amended by adding a section to read:

[273.77.] [COMPUTATION OF TAX INCREMENT.] *Subdivision 1. [ORIGINAL ASSESSED VALUE.] After a tax increment financing plan has been approved by the governing body the auditor of the county in which the district is situated shall, upon request of the authority, certify the original assessed value of the tax increment district as described in the tax increment financing plan. The county auditor shall have the power to specify the form and content of the request for certification of the authority and any modification thereof pursuant to section 5, subdivision 6.*

Subd. 2. [RELATIONSHIP OF CERTAIN DISTRICTS TO CHAPTER 473F.] *For purposes of the computations required by this section for any tax increment district, the original assessed value shall not include any portion thereof which is subject to the area wide tax imposed by section 473F.08, subdivision 6, in the levy and assessment of taxes in the year the project is certified or*

thereafter. For purposes of the computations required by this section for tax increment districts created for the purpose of financing economic development or redevelopment, the current assessed value shall not include the portion thereof which is subject to the area wide tax imposed by section 473F.08, subdivision 6, but shall not otherwise be reduced by the amount of the contribution of the municipality to the area wide tax base pursuant to section 473F.08, subdivision 2 (a). As provided in chapter 473F, that portion of the valuation of property in a tax increment district which is residential property shall be exempt from the requirements of chapter 473F. This subdivision shall apply to taxes payable in 1979 and thereafter for all development districts created pursuant to Minnesota Statutes, Chapter 472A, or any special law, whether approved before or after the effective date of sections 1 to 15.

Subd. 3. [CAPTURED ASSESSED VALUE.] The county auditor shall certify the amount of the captured assessed value to the authority each year. If the plan provides that all the captured assessed value is necessary to finance or otherwise make permissible expenditures under section 9, subdivision 3, the authority may retain the full captured assessed value. If the plan provides that only a portion of the captured assessed value is necessary to finance or otherwise make those expenditures, only that portion should be set aside and the remainder shall be distributed among the affected taxing districts by the county auditor.

Subd. 4. [TAX INCREMENTS.] (a) In each subsequent year, the county auditor shall compute assessed valuation, mill rates and tax increments according to the following method:

(1) If the authority retains the full captured assessed value, the county auditor shall include no more than the original assessed value in the tax increment district for purposes of determining assessed value for local mill rates. The county auditor shall compute the mill rates of all taxes levied by the state, the county, the municipality or town, the school district and every other taxing district in which the project is located in whole or in part on that assessed value. The county auditor shall extend all mill rates against the current assessed value, including the captured assessed value. In each year for which the current assessed value exceeds the original assessed value, the county treasurer shall remit to the authority that proportion of all taxes paid that year on real property in the district which the captured assessed value bears to the total current assessed value. The amount so remitted each year is referred to in this section as the tax increment for that year.

(2) If the authority retains only a portion of the captured assessed value for its use and returns the remaining portion to the tax rolls of all affected taxing districts, the county auditor shall include the original assessed value and that portion of the captured assessed value which is shared with all the affected taxing districts in determining the assessed value for computing mill rates. He shall compute the mill rates of all taxes levied by the state, county, municipality, school district, and every other taxing

district in which the project is located in whole or in part on that assessed value. He shall extend all mill rates against the total current assessed value including that portion of the captured assessed value which the authority is retaining for its use only. In each year for which the current assessed value exceeds the original assessed value, the county treasurer shall remit to the authority that proportion of all taxes paid on real property in the district that the retained captured assessed value bears to the total current assessed value in the district. The amount so remitted each year is referred to as the tax increment.

(b) In any year in which the current assessed value of the tax increment district is less than the original assessed value, the county auditor shall compute and extend taxes against the current assessed value. Taxes shall be distributed from the affected property to each of the taxing jurisdictions as determined by the current levy and there shall be no tax increment.

Sec. 8. Minnesota Statutes 1976, Chapter 273, is amended by adding a section to read:

[273.78] [LIMITATION ON TAX INCREMENT DISTRICTS.] *Subdivision 1. [PERCENTAGE OF VALUE.] No tax increment districts may be certified in a municipality by the county auditor if the sum of (1) the total captured assessed value of taxable real property in all tax increment projects or districts within the municipality, plus (2) the estimated captured assessed valuation of the proposed project at completion of construction as stated in the tax increment financing plan, plus (3) the unrealized estimated captured assessed valuation of all other previously approved tax increment projects or districts at completion of construction according to the tax increment financing plan, or in the case of projects or districts which were approved prior to the effective date of sections 1 to 15, pursuant to law which did not at the time of approval require adoption of a tax increment financing plan, the unrealized estimated captured assessed valuation, upon completion of all improvements which have been approved by the authority within the project or district at the time when the new project is proposed, exceeds the percent of the total assessed value of taxable real property in the municipality, as most recently determined by the county auditor specified herein: if the total assessed value is \$750,000,000 or more, seven percent; if the total assessed value is more than \$199,999,999, and less than \$750,000,000, seven and one half percent; if more than \$24,999,999 but less than \$200,000,000, ten percent; if more than \$7,499,999 but less than \$25,000,000, twelve percent; and if less than \$7,500,000, fifteen percent.*

Subd. 2. [DURATION OF TAX INCREMENT DISTRICTS.] Any pledge of revenues, including tax increments, to the payment of bonds and interest thereon may be discharged and the tax increment district may be terminated if sufficient funds have been irrevocably deposited in the debt service fund or other escrow account held in trust for all outstanding bonds to provide for the payment

of the bonds at maturity or date of redemption and interest thereon to such maturity or redemption date, provided that for bonds issued pursuant to sections 11 or 12 the full faith and credit and any taxing powers of the municipality or authority, as the case may be, shall continue to be pledged to the payment of the bonds until the principal of and interest on the bonds has been paid in full.

Sec. 9. Minnesota Statutes 1976, Chapter 273, is amended by adding a section to read:

[273.79] [TAX INCREMENT PROCEEDS.] *Subdivision 1. [ACCOUNTS.] The proceeds of tax increments received with respect to any project shall be segregated by the authority receiving them in a special account or accounts on its official books and records or otherwise established by resolution of the authority to be held by a trustee for the benefit of holders of the bonds.*

Subd. 2. [EXCESS INCREMENTS.] In any year in which the tax increments exceed the amount necessary to pay the costs authorized by the tax increment financing plan, including the amount necessary to cancel any tax levy as provided in section 475.61, subdivision 3, the authority shall use the excess amount to prepay any outstanding bonds or discharge the pledge of tax increments therefor or shall return the money to the municipality, county and school district in which the tax increment district is located in direct proportion to their respective mill rates.

Subd. 3. [LIMITATION ON USE OF TAX INCREMENTS.] Except in the case of a tax increment project or district for which certification was requested prior to the effective date of sections 1 to 15 pursuant to a law which did not at that date require adoption of a tax increment financing plan, revenues derived from tax increments subsequent to the effective date of sections 1 to 15 shall be used only to pay off bonds or to make any other expenditure authorized by the general or special law under which the authority was created or operates, and only as authorized in the tax increment financing plan.

Subd. 4. [LIMITATION ON ADMINISTRATIVE EXPENSES.] Tax increments shall not be used to pay any administrative expenses which exceed five percent of the total cost of a project which is subject to the provisions of sections 1 to 15.

Subd. 5. [LIMITATION ON DURATION OF INCREMENTS.] Tax increments may be taken from parcels comprising a redevelopment project or a housing project for a period lasting no more than 25 years from the approval of the plan pursuant to section 5, and from parcels comprising an economic development project for a period lasting no more than ten years after receipt of the first increments or twelve years from the approval of the plan pursuant to section 5, whichever is sooner.

Sec. 10. Minnesota Statutes 1976, Chapter 273, is amended by adding a section to read:

[273.80] [RESTRICTION ON FUTURE BOND ISSUES.]

Notwithstanding the provisions of any other law to the contrary, after the effective date of this act, no bonds for payments of which tax increments are pledged shall be issued in connection with any tax increment project or district other than as authorized by sections 11 to 13. The proceeds of any bonds authorized hereby shall be used only in accordance with section 9, subdivision 3, as if the proceeds were tax increments.

Sec. 11. Minnesota Statutes 1976, Chapter 273, is amended by adding a section to read:

[273.81] [MUNICIPAL GENERAL OBLIGATION BONDS.]
Subdivision 1. [ISSUANCE.] *A municipality may authorize general obligation bonds to finance any expenditure which the municipality or any other authority the jurisdiction of which is wholly or partially within that municipality is permitted to make pursuant to section 9, subdivision 3. The bonds shall be issued, sold and secured in the same manner and subject only to the same conditions as those provided in chapter 475, for bonds financing improvement costs reimbursable from special assessments.*

Subd. 2. [PLEDGE.] *Any pledge of tax increments, assessments or other revenues for the payment of the principal of and interest on general obligation bonds issued under this section, except when the authority and the municipality are the same, shall be made by written agreement by and between the authority and the municipality and filed with the county auditor. When the authority and the municipality are the same, the municipality may by covenant pledge tax increments, assessments or other revenues for the payment of the principal of and interest on general obligation bonds issued under this section. The resolution containing the covenant shall be filed with the county auditor. When tax increments, assessments and other revenues are pledged, the estimated collections of the tax increments, assessments and other revenues so pledged may be deducted from the taxes otherwise required to be levied before the issuance of the bonds under section 475.61, subdivision 1, or may be certified annually to reduce or cancel the initial tax levies in accordance with section 475.61, subdivision 1 or 3. The pledge of any revenues, including tax increments, to the payment of bonds and interest may be discharged if sufficient funds have been irrevocably deposited in escrow to provide for payment when due of the bonds and interest. The full faith and credit and taxing powers of the municipality shall continue to be pledged to the payment of any general obligation bonds until the principal of and interest on the bonds have been paid in full.*

Sec. 12. Minnesota Statutes 1976, Chapter 273, is amended by adding a section to read:

[273.82] [AUTHORITY GENERAL OBLIGATION BONDS.]
When the authority and the municipality are not the same, an authority may, by resolution, authorize, issue and sell its general obligation bonds to finance any expenditure which that authority is authorized to make by section 9, subdivision 3. The full faith and credit and taxing power of the authority shall be and are hereby

pledged to the payment of the bonds and interest thereon. Any revenues, including tax increments and assessments, derived from a tax increment district, may be pledged to the payment of the bonds and interest thereon. The bonds of the authority shall be authorized by its resolution, shall mature as determined by resolution of the authority in accordance with sections 1 to 15. The bonds may be issued in one or more series and shall bear the date or dates, bear interest at the rate or rates, be in the denomination or denominations, be in the form, either coupon or registered, carry the conversion or registration privileges, have the rank or priority, be executed in the manner, be payable in medium of payment at the place or places, and be subject to the terms of redemption, with or without premium, as the resolution, its trust indenture or mortgage may provide. The bonds may be sold at public or private sale at the price or prices as the authority by resolution shall determine. Notwithstanding any provision of law to the contrary, the bonds shall be fully negotiable. In any suit, action, or proceedings involving the validity or enforceability of any such bonds of the authority or the security therefor, any such bond reciting in substance that it has been issued by the authority to aid in financing a project shall be deemed to have been issued for that purpose, and the project shall be conclusively deemed to have been planned, located, and carried out in accordance with the purposes and provisions of sections 1 to 15.

Subd. 2. [LIABILITY ON BONDS.] Neither the governing body of the authority nor any person executing the bonds shall be liable personally on the bonds by reason of the issuance thereof. The bonds of the authority, as the bonds shall state on their face, shall not be a debt of any municipality, the state or any political subdivision thereof, and neither the municipality nor the state or any political subdivision thereof shall be liable thereon, nor in any event shall the bonds be payable out of any funds or properties other than those of the authority and any tax increments and revenues of a tax increment district pledged therefor.

Sec. 13. Minnesota Statutes 1976, Chapter 273, is amended by adding a section to read:

[273.83] [REVENUE BONDS.] Subdivision 1. [ISSUANCE.] An authority may, by resolution, authorize, issue and sell revenue bonds payable solely from all or a portion of revenues, including but not limited to tax increment revenues and assessments, derived from a tax increment district located wholly or partially within the municipality to finance any expenditure which that authority is authorized to make by section 9, subdivision 3, and may pledge the revenues to the payment of the bonds and the interest thereon. The bonds shall mature as determined by resolution of the authority in accordance with the provisions of sections 1 to 15 and may be issued in one or more series and shall bear the date or dates, bear interest at the rate or rates, be in the denomination or denominations, be in the form, either coupon or registered, carry the conversion or registration privileges, have the rank or priority, be executed in the manner, be payable in medium of payment at the place or places, and be subject to the terms of redemption, with or

without premium, as the resolution, its trust indenture or mortgage may provide. The bonds may be sold at public or private sale at the price or prices as the authority by resolution shall determine. Notwithstanding any provision of law to the contrary, the bonds shall be fully negotiable. In any suit, action, or proceedings involving the validity or enforceability of any such bonds of the authority or the security therefor, any such bond reciting in substance that it has been issued by the authority to aid in financing a project shall be deemed to have been issued for that purpose, and the project shall be deemed to have been planned, located, and carried out in accordance with the purposes and provisions of sections 1 to 15.

Subd. 2. [LIABILITY ON BONDS.] Neither the governing body of the authority nor any person executing the bonds shall be liable personally on the bonds by reason of the issuance thereof. The bonds may be further secured by a pledge and mortgage of all or any portion of the project in aid of which the bonds are issued and the covenants the authority deems by the resolution to be necessary and proper to secure payment of the bonds. The bonds, as they shall state on their face, shall not be payable from nor charged upon any funds other than the revenues and property pledged or mortgaged to the payment thereof, nor shall the authority issuing the same be subject to any liability thereon or have the powers to obligate itself to pay or to pay the bonds from funds other than the revenues and properties pledged and mortgaged and no holder of the bonds shall ever have the right to compel any exercise of any taxing power of the issuing authority or any other public body, other than as is permitted or required under sections 1 to 16 and pledged therefor hereunder, to pay the principal of or interest on the bonds, nor to enforce payment thereof against any property of the authority or other public body other than that expressly pledged or mortgaged for the payment thereof.

Sec. 14. Minnesota Statutes 1976, Chapter 273, is amended by adding a section to read:

[273.84] [ANNUAL DISCLOSURE.] For all tax increment districts, whether created prior or subsequent to the effective date of this act, on or before July 1 each year, the authority shall submit to the county board, the school board, the state planning agency and, if the authority is other than the governing body, the governing body of the municipality a report on the status of the district. The report shall include the following information: the amount and the source of revenue in the account, the amount and purpose of expenditures from the account, the amount of principal and interest on any outstanding bonded indebtedness, the original assessed value of the district, the captured assessed value retained by the authority, the captured assessed value shared with other taxing districts, the tax increments received and any additional information necessary to demonstrate compliance with any applicable tax increment financing plan. An annual statement showing the tax increments received and expended in that year, the original assessed value, captured assessed value, amount of outstanding bonded indebtedness, and any additional information the authority deems

necessary shall be published in a newspaper of general circulation in the municipality.

Sec. 15. Minnesota Statutes 1976, Chapter 273, is amended by adding a section to read:

[273.85] [EXISTING PROJECTS.] *The provisions of sections 1 to 16 shall not affect any redevelopment project as defined in section 462.421, subdivision 13, industrial development district as defined in section 458.191, project as defined in section 474.02, subdivision 1 or section 362A.01, subdivision 2, or development district as defined in section 472A.02, subdivision 3 or any special law, for which certification was requested pursuant to those laws prior to the effective date of sections 1 to 15, or any project carried on by an authority pursuant to Minnesota Statutes, Section 462.545, Subdivision 5 with respect to which the governing body has by resolution designated properties for inclusion in the project prior to the effective date of sections 1 to 15, except:*

(a) *As otherwise provided in sections 1 to 15;*

(b) *As an authority may elect to proceed with an existing redevelopment project, industrial development district, project or development district under the provisions of sections 1 to 15; or*

(c) *That any geographic area added to an existing redevelopment project, industrial development district, project or development district as a result of boundary expansion subsequent to the effective date of sections 1 to 15 shall be added in accordance with and be subject to the terms and conditions of sections 1 to 15.*

Sec. 16. Minnesota Statutes 1976, Section 458.192, Subdivision 11, is amended to read:

Subd. 11. Upon or after the creation of an industrial development district under section 458.191 *which is not subject to the provisions of sections 1 to 15*, the auditor of the county in which it is situated shall upon request of the port authority certify the then most recently determined assessed valuation of all or so much of the taxable real property within the district as is identified by legal description in the request, other than that portion of the valuation which is contributed to an area-wide tax base under chapter 473F. The auditor shall certify to the authority in each year thereafter the amounts and percentages of subsequent increases or decreases in such valuation other than that portion of such increases or decreases which is contributed to an area-wide tax base under chapter 473F. The auditor shall compute the mill rates of taxes against such original valuation but shall extend such rates also against any incremental value and remit the resulting tax increment to the port authority in the same manner as that provided for the computation and remittance of tax increments under section 462.585, subdivisions 2 and 3. The port authority shall segregate tax increments received with respect to any such property district in a special account on its official books and records. Such tax increments shall be remitted to the port authority until the cost of redevelopment of the marginal land within the district, including

interest thereon, has been fully reimbursed from the tax increments. When such full reimbursement has been made, it shall be reported by the port authority to the county auditor, who shall thereafter include the entire assessed valuation of the property in the assessed valuations upon which tax mill rates are computed and extended and taxes are remitted to all taxing districts. Any part or all of such tax, if so directed by the city council, shall be pledged and appropriated for the payment of any general obligation bonds of the port authority. Increases in the value of such property, subsequent to certification of the base for computing the tax increment therefrom, shall not be included in the assessed valuation of any taxing district for the purpose of computing any debt or levy limitation or the amount of any state or federal aid to the taxing district, so long as the tax increment therefrom is segregated under the provisions of this section. *The provisions of this subdivision shall not apply with respect to any project, certification of which is requested subsequent to the effective date of the tax increment financing act.*

Sec. 17. Minnesota Statutes 1976, Section 462.545, Subdivision 5, is amended to read:

Subd. 5. [SPECIAL BENEFIT TAX FUND.] In the event the authority shall issue bonds or other obligations to finance a redevelopment project, the authority may, in its discretion, with the consent of the governing body obtained at the time of the approval of the redevelopment plan as required in section 462.521, notify the county treasurer to set aside in a special fund, for the retirement of such bonds and interest thereon, all or part of the real estate tax revenues derived from the real property in the redevelopment area which is in excess of the tax revenue derived therefrom in the tax year immediately preceding the acquisition of such property by the authority, and it shall be the duty of the county treasurer so to do. Such setting aside of funds shall continue until the bonds or other obligations have been retired. *The provisions of this subdivision shall not apply with respect to any property which the governing body has not by resolution designated for inclusion in a project prior to the effective date of this act.*

Sec. 18. Minnesota Statutes 1976, Section 462.585, Subdivision 1, is amended to read:

462.585 [AGREEMENTS RESPECTING TAX INCREMENTS AND EQUIVALENTS; PLEDGE FOR BONDS.] Subdivision 1. [GENERAL.] In connection with any project of an authority located wholly or partly within the corporate limits of any municipality or other state public body, such body may agree with the authority with respect to the payment by the authority of such sums in lieu of taxes for any year or period of years in accordance with the provisions of section 462.575, but for no longer period than the period of tax exemption provided for under that section. In any case where property owned by the authority in a redevelopment project area is leased or otherwise made available by the authority to a private individual, firm, or corporation which previously owned the same or other

property within the area, not for development in connection with the project but for temporary use pending relocation of such former owner's residence or business, the authority may agree to payment of sums in lieu of taxes for any year or period of such temporary use, not exceeding the amount of the annual rentals or other payments it receives for such use, but during such use the property and the authority shall be exempt from all taxes and special assessments as provided in section 462.575, and the provisions of section 272.01, subdivision 2 and of section 273.19 shall not apply to such property or to such use thereof. In connection with any redevelopment project, an authority may make further agreements respecting taxes as provided below in the case of projects which are not subject to the provisions of sections 1 to 15. The provisions of subdivisions 2 and 3 shall not apply with respect to any project, certification of which is requested subsequent to the effective date of the tax increment financing act.

Sec. 19. Minnesota Statutes 1976, Section 462.585, Subdivision 4, is amended to read:

Subd. 4. [TAX INCREMENT FINANCING.] The authority may pledge and appropriate any part or all of the tax increments received for any redevelopment project, and any part or all of the revenues received from lands in the project area while owned by the authority, for the payment of the principal of and interest on bonds issued in aid of the project pursuant to sections 462.-551, 462.581, or chapter 474, by the authority or by the governing body of the municipality or other state public body within whose corporate limits the project area is situated. Any such pledge for the payment of bonds issued by the governing body shall be made by written agreement executed on behalf of the authority and the governing body and filed with the county auditor. The estimated collections of the tax increments and any other revenues so pledged may be deducted from the taxes otherwise required to be levied before the issuance of the bonds under section 475.61, subdivision 1, or the collections thereof may be certified annually to reduce or cancel the initial tax levies in accordance with section 475.61, subdivision 3. When such an agreement is made and filed, the bonds may be issued by the governing body in the same manner and subject only to the same conditions as those provided in chapter 475 for bonds financing improvement costs reimbursable from special assessments. *Bond shall not be issued nor tax increments or other revenues pledged pursuant to this subdivision subsequent to the effective date of the tax increment financing act.*

Sec. 20. Minnesota Statutes 1976, Section 472A.06, is amended to read:

472A.06 [ISSUANCE OF BONDS.] The governing body of the municipality, may authorize, issue and sell general obligation bonds, which shall mature within 30 years from the date of issue, to finance the acquisition and betterment of real and personal property needed to carry out the development program

within the development district together with all relocation costs incidental thereto in accordance with sections 475.51, 475.53, 475.54, 475.55, 475.56, 475.60, 475.61, 475.62, 475.63, 475.65, 475.66, 475.69, 475.70, 475.71. All tax increments received by the municipality pursuant to section 472A.08 shall be pledged for the payment of these bonds and used to reduce or cancel the taxes otherwise required to be extended for that purpose, and the bonds shall not be included when computing the municipality's net debt. *Bonds shall not be issued under this section subsequent to the effective date of the tax increment financing act.*

Sec. 21. Minnesota Statutes 1976, Section 472A.07, is amended by adding a subdivision to read:

Subd. 5. The provisions of this section shall not apply to a development district certification of which is requested subsequent to the effective date of the tax increment financing act.

Sec. 22. Minnesota Statutes 1976, Section 472A.08, is amended by adding a subdivision to read:

Subd. 6. The provisions of this section shall not apply to a development district, certification of which is requested subsequent to the effective date of the tax increment financing act.

Sec. 23. Minnesota Statutes 1976, Section 473F.02, Subdivision 3, is amended to read:

Subd. 3. "Commercial-industrial property" means the following categories of property, as defined in section 273.13, excluding that portion of such property (a) which may, by law, constitute the tax base for a tax increment pledged pursuant to sections 462.585 or 474.10, *tax increment financing district certification of which was requested prior to the effective date of the tax increment financing act* to the extent and while such tax increment is so pledged; (b) which may, by law, constitute the tax base for tax revenues set aside and paid over for credit to a sinking fund pursuant to direction of the city council in accordance with Laws 1963, Chapter 881, as amended, to the extent that such revenues are so treated in any year; or (c) which is exempt from taxation pursuant to section 272.02:

(a) That portion of class 3 property consisting of stocks of merchandise and furniture and fixtures used therewith; manufacturers' materials and manufactured articles; and tools, implements and machinery, whether fixtures or otherwise.

(b) Class 3h property.

(c) Class 3j property.

(d) That portion of class 4 property which is either used or zoned for use for any commercial or industrial purpose, except for such property which is, or, in the case of property under construction, will when completed be used exclusively for residential occupancy and the provision of services to residential occupants thereof. Property shall be considered as used exclusively for residential occupancy only if each of not less than

80 percent of its occupied residential units is, or, in the case of property under construction, will when completed be occupied under an oral or written agreement for occupancy over a continuous period of not less than 30 days.

If the classification of property prescribed by section 273.13 is modified by legislative amendment, the references in this subdivision shall be to such successor class or classes of property, or portions thereof, as embrace the kinds of property designated in this subdivision.

(e) That property valued and assessed under section 273.13, subdivision 14.

Sec. 24. Minnesota Statutes 1976, Section 474.10, Subdivision 2, is amended to read:

Subd. 2. Any municipality or redevelopment agency may request the county auditor of the county in which a project is situated to certify the original taxable value of the real property included therein and the tax increments realized each year after the commencement of the project, as defined in section 462.585, and provided in the tax increment financing act. The municipality or redevelopment agency shall be entitled to receive, use, and pledge such tax increments for the further security of the revenue bonds issued to finance the project, in either of the following ways:

(1) To pay premiums for insurance guaranteeing the payment of net rentals when due under the project lease; or

(2) To accumulate and maintain a reserve securing the payment when due of the principal of and interest on the bonds.

Sec. 25. [REPEALER.] Minnesota Statutes 1976, Sections 458.192, Subdivision 12; and 472A.08, Subdivisions 4 and 5, are repealed.

Sec. 26. [EFFECTIVE DATE.] This act is effective the day following final enactment."

Further, delete the title and insert:

"A bill for an act relating to taxation; providing for the use of tax increment financing of redevelopment, housing and economic development projects; establishing standards and procedures for its use; amending Minnesota Statutes 1976, Sections 458.192, Subdivision 11; 462.545, Subdivision 5; 462.585, Subdivisions 1 and 4; 472A.06; 472A.07, by adding a subdivision; 472A.08, by adding a subdivision; 473F.02, Subdivision 3; and 474.10, Subdivision 2; Chapter 273, by adding sections; repealing Minnesota Statutes 1976, Sections 458.192, Subdivision 12; and 472A.08, Subdivisions 4 and 5."

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) William N. Kelly, James C. Pehler, Thomas K. Berg, John Corbid, Henry J. Savelkoul.

Senate Conferees: (Signed) Marvin B. Hanson, Bill McCutcheon, Niel Dieterich.

CALL OF THE SENATE

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

Benedict	Frederick	Kleinbaum	Ogdahl	Sillers
Bernhagen	Gearty	Knaak	Olhoff	Staples
Borden	Gunderson	Knoll	Penny	Stokowski
Brataas	Hanson	Laufenburger	Peterson	Tennessen
Chmielewski	Hughes	Lessard	Purfeerst	Ueland, A.
Coleman	Humphrey	Luther	Schaaf	Willet
Dieterich	Johnson	McCutcheon	Schmitz	
Dunn	Keefe, S.	Menning	Setzepfandt	
Engler	Kirchner	Nelson	Sieloff	

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

Mr. Hanson moved that the foregoing recommendations and Conference Committee Report on H. F. No. 1191 be now adopted, and that the bill be repassed as amended by the Conference Committee.

Mr. Borden moved that the recommendations and Conference Committee Report on H. F. No. 1191 be rejected.

The question was taken on the adoption of the Borden motion.

The roll was called, and there were yeas 37 and nays 25, as follows:

Those who voted in the affirmative were:

Ashbach	Frederick	Knaak	Penny	Solon
Benedict	Gearty	Knoll	Purfeerst	Staples
Bernhagen	Gunderson	Knutson	Renneke	Stokowski
Borden	Hughes	Laufenburger	Schaaf	Ueland, A.
Brataas	Humphrey	Lewis	Schmitz	Ulland, J.
Chmielewski	Jensen	Menning	Schrom	
Coleman	Kirchner	Ogdahl	Sieloff	
Engler	Kleinbaum	Olson	Sikorski	

Those who voted in the negative were:

Anderson	Johnson	Merriam	Peterson	Stumpf
Chenoweth	Keefe, S.	Moe	Setzepfandt	Tennessen
Dieterich	Lessard	Nelson	Sillers	Vega
Dunn	Luther	Nichols	Spear	Wegener
Hanson	McCutcheon	Olhoff	Strand	Willet

The motion prevailed.

RECONSIDERATION

Mr. Coleman moved that the vote whereby the Borden motion to reject the Conference Committee Report on H. F. No. 1191 was adopted by the Senate on March 23, 1978, be now reconsidered.

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 27 and nays 33, as follows:

Those who voted in the affirmative were:

Anderson	Hughes	Merriam	Sieloff	Vega
Chmielewski	Johnson	Nelson	Sillers	Wegener
Coleman	Keefe, S.	Nichols	Spear	Willet
Dieterich	Lessard	Olhoft	Strand	
Dunn	Luther	Peterson	Stumpf	
Hanson	McCutcheon	Setzepfandt	Tennessee	

Those who voted in the negative were:

Ashbach	Frederick	Knaak	Olson	Solon
Benedict	Gearty	Knoll	Penny	Staples
Bernhagen	Gunderson	Knutson	Purfeerst	Stokowski
Borden	Humphrey	Laufenburger	Renneke	Ueland, A.
Brataas	Jensen	Lewis	Schaaf	Ulland, J.
Chenoweth	Kirchner	Menning	Schmitz	
Engler	Kleinbaum	Ogdahl	Schrom	

The motion did not prevail.

Without objection, the Senate reverted to the Order of Business of Messages from the House.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 804 and repassed said bill in accordance with the report of the Committee, so adopted.

S. F. No. 804: A bill for an act relating to highway traffic regulations; driving under the influence of alcohol or controlled substances; chemical tests and consent therefor; providing for immediate notice of revocation of a driver license or permit, retention of the license or permit by a court or peace officer and the substitution of temporary licenses under certain circumstances; providing for county court jurisdiction over prosecution for certain offenses; prescribing penalties; amending Minnesota Statutes 1976, Sections 169.121; 169.123; 169.127; and Chapter 169, by adding sections; repealing Minnesota Statutes 1976, Section 171.245.

Senate File No. 804 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 23, 1978

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 1689 and repassed said bill in accordance with the report of the Committee, so adopted.

S. F. No. 1689: A bill for an act relating to battered women; appropriating money; amending Minnesota Statutes, 1977 Supplement, Sections 241.62, Subdivisions 1 and 4 and by adding a

subdivision; 241.63; 241.66, Subdivision 2, and by adding a subdivision.

Senate File No. 1689 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives
Returned March 23, 1978

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 793 and repassed said bill in accordance with the report of the Committee, so adopted.

S. F. No. 793: A bill for an act relating to public waters; specifying the procedure for creation of lake improvement districts; authorizing districts to undertake certain improvement projects and assess benefited property; altering the procedure for terminating districts; requiring districts to hold an annual meeting; clarifying local government authority over public waters; amending Minnesota Statutes 1976, Sections 105.484; 378.41, Subdivision 2; 378.42, Subdivisions 1, 2, and by adding a subdivision; 378.43, Subdivisions 1 and 3; 378.46; 378.47, Subdivisions 1 and 2; 378.51, Subdivisions 1 and 3; 378.52, Subdivision 1; 378.55; 378.56, Subdivisions 1 and 2; and 459.20; and Chapter 378, by adding a section; repealing Minnesota Statutes 1976, Sections 378.45; 378.53; and 378.54.

Senate File No. 793 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives
Returned March 23, 1978

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 65 and repassed said bill in accordance with the report of the Committee, so adopted.

S. F. No. 65: A bill for an act relating to crimes and corrections; sentencing and post conviction disposition of criminal offenders; transferring the powers and duties of the Minnesota corrections board to the commissioner of corrections; abolishing the Minnesota corrections board; providing for determinate sentencing; providing for a mutual agreement program; appropriating money; amending Minnesota Statutes 1976, Sections 152.15, Subdivisions 1, 2 and 3; 299F.811; 299F.815, Subdivision 1; 401.13; 609.03; 609.10; 609.135, Subdivisions 1 and 2; 609.145, Subdivision 1; 609.165, Subdivision 2; 609.17, Subdivision 4; 609.175, Subdivision 2; 609.18; 609.185; 609.19; 609.195; 609.20; 609.205; 609.21; 609.215; 609.225; 609.235; 609.24; 609.245; 609.25, Subdivision 2; 609.255; 609.26; 609.27, Subdivision 2; 609.31; 609.32; 609.342; 609.343; 609.344; 609.345;

609.355, Subdivision 2; 609.365; 609.375, Subdivision 2; 609.39; 609.395; 609.405, Subdivision 2; 609.42, Subdivision 1; 609.425; 609.445; 609.455; 609.465; 609.466; 609.48, Subdivisions 1 and 4; 609.485, Subdivision 4; 609.495, Subdivision 1; 609.498, Subdivision 1; 609.52, Subdivisions 2 and 3; 609.521; 609.525, Subdivision 1; 609.53, Subdivisions 1 and 3; 609.54; 609.55, Subdivision 2; 609.551, Subdivision 1; 609.561; 609.562; 609.563, Subdivision 1; 609.576; 609.58, Subdivision 2; 609.59; 609.595, Subdivision 1; 609.60; 609.611; 609.615; 609.62, Subdivision 2; 609.625; 609.63; 609.635; 609.64; 609.645; 609.65; 609.67, Subdivision 2; 609.71; 609.713; 609.785; 609.82; 609.825, Subdivision 2; 609.83; and Chapter 609, by adding a section; repealing Minnesota Statutes 1976, Sections 152.15, Subdivisions 4 and 5; 241.045; 242.24; 243.06; 243.14; 243.18; 246.43; 609.11; 609.155; 609.16; 609.293, Subdivisions 2, 3, and 4; and 609.346.

Senate File No. 65 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 23, 1978

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 1120 and repassed said bill in accordance with the report of the Committee, so adopted.

S. F. No. 1120: A bill for an act relating to public waters; their classification and drainage; providing for venue of certain actions involving the commissioner of natural resources; amending Minnesota Statutes 1976, Chapter 105, by adding a section.

Senate File No. 1120 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 23, 1978

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 1106 and repassed said bill in accordance with the report of the Committee, so adopted.

S. F. No. 1106: A bill for an act relating to solid waste disposal; authorizing counties to prohibit transportation of solid waste to other counties for disposal; authorizing counties to designate disposal sites for solid waste generated within their boundaries; amending Minnesota Statutes 1976, Section 400.04, by adding a subdivision.

Senate File No. 1106 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 23, 1978

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 744 and repassed said bill in accordance with the report of the Committee, so adopted.

S. F. No. 744: A bill for an act relating to elections; defining member of a political party; altering various provisions relating to publication of constitutional amendment explanation, ballots, judges, summary statements, canvasses and returns; amending Minnesota Statutes 1976, Chapter 204A, by adding a section; and Sections 3.21; 200.02, by adding a subdivision; 204A.18, Subdivision 1; 204A.32, Subdivision 4; 204A.42, Subdivision 1; 204A.45, Subdivision 1; 204A.46, Subdivisions 1, 2, 3 and 4; 204A.47; and 204A.51, Subdivisions 2 and 3; repealing Minnesota Statutes 1976, Sections 204A.45, Subdivision 2; and 204A.48.

Senate File No. 744 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives
Returned March 23, 1978

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 1864 and repassed said bill in accordance with the report of the Committee, so adopted.

S. F. No. 1864: A bill for an act relating to state employees; improving testing procedures; tightening provisions relating to provisional appointments; providing for a pilot reliability-based band width certification program; altering certain requirements for appointment and benefit eligibility; establishing special procedures for filling certain positions; providing for modified reimbursements of costs; providing notification of appeal rights; appropriating money; amending Minnesota Statutes 1976, Sections 43.13, Subdivision 1, and by adding a subdivision; 43.14, Subdivision 1; 43.18; 43.19, Subdivision 1; 43.20, Subdivisions 2, 3, 5, and by adding a subdivision; 43.24, Subdivision 1; 43.32, Subdivision 11; 43.327, Subdivisions 1 and 2; 43.491, by adding a subdivision; and Chapter 43, by adding a section.

Senate File No. 1864 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives
Returned March 23, 1978

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 1722 and repassed said bill in accordance with the report of the Committee, so adopted.

S. F. No. 1722: A bill for an act relating to education; providing educational aids for children attending nonpublic schools; appropriating money; amending Minnesota Statutes 1976, Sections 120.17, Subdivision 9; 123.931; 123.932, Subdivision 7, and by adding subdivisions; 123.933; 123.935; 123.936; 123.937; 124.212, by adding a subdivision; and Chapter 123, by adding sections; Minnesota Statutes, 1977 Supplement, Sections 124.212, Subdivision 9a; and 124.223; repealing Minnesota Statutes 1976, Sections 123.932, Subdivisions 1, 2, 6 and 8; 123.934; and Laws 1977, Chapter 447, Article VI, Section 12.

Senate File No. 1722 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives
Returned March 23, 1978

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 1643 and repassed said bill in accordance with the report of the Committee, so adopted.

S. F. No. 1643: A bill for an act relating to agriculture; corn detasseling employees; providing minimum labor standards; amending Minnesota Statutes 1976, Chapter 181, by adding sections.

Senate File No. 1643 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives
Returned March 23, 1978

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 1548 and repassed said bill in accordance with the report of the Committee, so adopted.

S. F. No. 1548: A bill for an act relating to courts; changing fees collected by court clerks for certain actions and services; amending Minnesota Statutes 1976, Section 357.021, Subdivision 2, Chapter 525 by adding a section; and Minnesota Statutes, 1977 Supplement Section 517.08, Subdivision 1.

Senate File No. 1548 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives
Returned March 23, 1978
report of the Committee, so adopted.

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 2361 and repassed said bill in accordance with the

S. F. No. 2361: A bill for an act relating to peace officers; setting forth criteria for the use of deadly force by peace officers; amending Minnesota Statutes 1976, Sections 609.065; 629.33; and Chapter 609, by adding a section.

Senate File No. 2361 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives
Returned March 23, 1978

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 1861 and repassed said bill in accordance with the report of the Committee, so adopted.

H. F. No. 1861: A bill for an act relating to retirement; miscellaneous amendments to the public employees retirement law; amending Minnesota Statutes 1976, Sections 353.01, Subdivisions 12, 16, and 20; 353.017, Subdivision 2; 353.30, by adding a subdivision; 353.31, Subdivision 1; 353.32, Subdivisions 5 and 9; 353.33, Subdivision 11; 353.34, Subdivision 6; 353.656, Subdivision 6; 353.657, Subdivision 1; 354.41, by adding a subdivision; 356.32, Subdivision 1; Minnesota Statutes, 1977 Supplement, Sections 353.01, Subdivision 2b; 353.36, Subdivision 2; and 354.41, Subdivision 6; repealing Minnesota Statutes, 1977 Supplement, Section 353.32, Subdivision 7.

House File No. 1861 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives
Transmitted March 23, 1978

CONFERENCE COMMITTEE REPORT ON H. F. NO. 1861

A bill for an act relating to retirement; miscellaneous amendments to the public employees retirement law; amending Minnesota Statutes 1976, Sections 353.01, Subdivisions 12, 16, and 20; 353.017, Subdivision 2; 353.30, by adding a subdivision; 353.31, Subdivision 1; 353.32 Subdivisions 5 and 9; 353.33, Subdivision 11; 353.34, Subdivision 6; 353.656, Subdivision 6; 353.657, Subdivision 1; 354.41, by adding a subdivision; 356.32, Subdivision 1; Minnesota Statutes, 1977 Supplement, Sections 353.01, Subdivision 2b; 353.36, Subdivision 2; and 354.41, Subdivision 6; repealing Minnesota Statutes, 1977 Supplement, Section 353.32, Subdivision 7.

March 22, 1978

The Honorable Martin O. Sabo
Speaker of the House of Representatives

The Honorable Edward J. Gearty
President of the Senate

We, the undersigned conferees for H. F. No. 1861, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments, and that H. F. No. 1861 be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1976, Section 3A.01, is amended by adding a subdivision to read:

Subd. 7. [AVERAGE MONTHLY SALARY.] With regard to any member of the legislature whose service terminates prior to the beginning of the 1981 legislative session, "average monthly salary" means final monthly salary during the member's final term of office as a member of the legislature; and with regard to any member of the legislature whose service terminates after the beginning of the 1981 legislative session, "average monthly salary" means the average of the member's highest five successive years of salary received as a member of the legislature after the beginning of the 1981 legislative session, or all salary after the beginning of the 1981 legislative session if less than five years.

Sec. 2. Minnesota Statutes 1976, Section 3A.01, is amended by adding a subdivision to read:

Subd. 8. [NORMAL RETIREMENT AGE.] "Normal retirement age" means the age of 60 years with regard to any member of the legislature whose service terminates prior to the beginning of the 1981 legislative session, and the age of 62 years with regard to any member of the legislature whose service terminates after the beginning of the 1981 session.

Sec. 3. Minnesota Statutes, 1977 Supplement, Section 3A.02, Subdivision 1, is amended to read:

3A.02 [RETIREMENT ALLOWANCE.] Subdivision 1. [QUALIFICATIONS.] Any former legislator:

(1) Who has served at least eight *six full* years, *without regard to the application of section 3A.10, subdivision 2*, or who has served during all or part of four regular sessions as such member of the legislature, which service need not be continuous, but must have been after January 1, 1965 except as hereinafter provided; and

(2) Who attains the *normal retirement age of 60 years* ; and

(3) Who has retired as a member of the legislature; and

(4) Who has made all contributions provided for in sections 3A.01 to 3A.10, or who has made payments in lieu of all contributions provided for in sections 3A.01 to 3A.10 as provided for in subdivision 2; shall be entitled upon written application to the director to receive a retirement allowance monthly of 40 percent in an amount equal to five percent per year of service, not to exceed eight years of service, of that member's final average monthly salary during the final term of office as a member of the legislature beginning with the first day of the

month of receipt of such application and for the remainder of his life, provided he is not serving as a member of the legislature or as a constitutional officer or commissioner.

In addition to the amount provided above, the retired member who meets the qualifications of clauses (1), (2), (3) and (4) shall receive for every year of service over eight years a monthly allowance which equals two and one-half percent of the average monthly salary determined pursuant to clause (4).

Notwithstanding clause (4), a member shall receive two and one-half percent of the average monthly salary determined pursuant to clause (4) for each year of service served after the beginning of the 1979 legislative session. *Any member who has served during all or part of four regular sessions shall be deemed to have served eight years as a member of the legislature.*

The retirement allowance shall cease with the last payment which had accrued to the retired legislator during his lifetime except that the surviving spouse, if any, shall be entitled to the retirement allowance for the calendar month in which the retired legislator died.

Effective for service rendered after the beginning of the 1981 legislative session, no member may accrue credit for more than 20 years service, nor shall member contributions thereafter be required for more than 20 years service.

For the purposes of this chapter the term salary shall not be deemed to include any additional payments provided by law for legislative leadership positions.

This subdivision is applicable to members of the legislature who terminate service after January 1, 1973, and to any widow or dependent child of any such member. Clauses (1) and (2) shall also be applicable to any former legislator who applies for a deferred annuity after June 5, 1975. Any former legislator who was in office on or after January 1, 1965, who had at least eight years of service but less than ten years of service as a member of the legislature, and who took a refund of his contributions, may upon application to the director repay to the director for credit to his account all refundments taken plus interest thereon at six percent per annum compounded annually. Upon repayment of the refundment, he shall then be entitled when otherwise qualified to a retirement allowance pursuant to subdivision 1, provided however that the retirement allowance shall be based on his salary at the time of his termination of service as a member of the legislature.

Sec. 4. Minnesota Statutes 1976, Section 3A.02, is amended by adding a subdivision to read:

Subd. 1b. [REDUCED RETIREMENT ALLOWANCE.] Upon separation from service after the beginning of the 1981 legislative session, a former member of the legislature who has attained the age of at least 60 years and who is otherwise qualified in accordance with subdivision 1 is entitled upon making written application on forms supplied by the director to a retirement allowance in an amount equal to the retirement allowance specified in subdivision

1 reduced by one half of one percent for each month that the former member of the legislature is under age 62.

Sec. 5. Minnesota Statutes 1976, Section 3A.02, Subdivision 2, is amended to read:

Subd. 2. [PAYMENT FOR PAST SERVICE.] Any member of the legislature who is a member on July 1, 1965 or thereafter, may, notwithstanding the provisions of subdivision 1, clause (1), receive credit for service rendered as a member of the legislature prior to July 1, 1965, and the pension based thereon provided that he pays to the director for credit to his account an amount equal to *eight nine* percent of all salary received by him for all periods of service rendered by him as a member of the legislature, even if such periods are not continuous and exceed ten years in duration. Such payment may be made at any time after the commencement of any regular session of the legislature of which he is a member.

Sec. 6. Minnesota Statutes 1976, Section 3A.02, Subdivision 4, is amended to read:

Subd. 4. [DEFERRED ANNUITIES AUGMENTATION.] The deferred annuity of any former legislator shall be augmented as provided herein. The required reserves applicable to the deferred annuity, determined as of the date the benefit begins to accrue using an appropriate mortality table and an interest assumption of five percent, shall be augmented *by interest at the rate of five percent per annum compounded annually from the date of first of the month following termination of service, or July 1, 1973, whichever is later, to the first day of the month in which the annuity begins to accrue, at the rate of five percent per annum compounded annually until January 1, 1981, and thereafter at the rate of three percent per annum compounded annually.*

Sec. 7. Minnesota Statutes 1976, Section 3A.03, Subdivision 1, is amended to read:

3A.03 [CONTRIBUTIONS.] Subdivision 1. [PERCENTAGE.] Every member of the legislature shall contribute *eight nine* percent of his total salary, by payroll deduction, to be paid into the state treasury and deposited in the general fund. It shall be the duty of the director to record the periodic contributions of each member of the legislature and credit such contribution to the member's account.

Sec. 8. Minnesota Statutes, 1977 Supplement, Section 3A.04, Subdivision 1, is amended to read:

3A.04 [SURVIVOR BENEFIT.] Subdivision 1. [SURVIVING SPOUSE.] Upon the death of a member of the legislature while serving as such member after June 30, 1973, or upon the death of a former member of the legislature with at least *eight* the number of years of service as required by section 3A.02, subdivision 1, clause (1), the surviving spouse shall be paid a survivor benefit in the amount of one-half of the retirement allowance of the member of the legislature computed as though the member were at least *normal retirement age 60* on the date of his death

and based upon his allowable service or eight years whichever is greater. The augmentation provided in section 3A.02, subdivision 4, if applicable, shall be applied to the month of death. Upon the death of a former legislator receiving a retirement allowance, the surviving spouse shall be entitled to one-half of the amount of the allowance being paid to the legislator. Such benefit shall be paid during the lifetime of the surviving spouse, but shall cease and terminate upon the remarriage of the surviving spouse.

Sec. 9. Minnesota Statutes, 1977 Supplement, Section 3A.04, Subdivision 2, is amended to read:

Subd. 2. [DEPENDENT CHILDREN.] Upon the death of a member of the legislature while serving as such member after June 30, 1973, or upon the death of a former member of the legislature with at least eight *the number of* years of service as required by section 3A.02, subdivision 1, clause (1), each dependent child of such member shall be paid a survivor benefit in the following amount: First dependent child, a monthly allowance which equals 25 percent of the monthly retirement allowance of the member of the legislature computed as though the member were at least *normal retirement* age 60 on the date of his death and based upon his allowable service or eight years whichever is greater; for each additional dependent child, a monthly allowance which equals 12½ percent of the monthly retirement allowance of the member computed as in the case of the first child; but the total amount paid to the surviving spouse and dependent children shall not exceed in any one month 100 percent of the monthly retirement allowance of the member computed as in the case of the first child. The augmentation provided in section 3A.02, subdivision 4, if applicable, shall be applied to the month of death. Upon the death of a former legislator receiving a retirement allowance, the surviving dependent child shall be entitled to the applicable percentage of the amount of the allowance being paid to the former legislator. The payments for dependent children shall be made to the surviving spouse or the guardian of the estate of the dependent children, if there is one. A posthumous child qualifies as a dependent child for benefits provided herein from the date of its birth.

Sec. 10. Minnesota Statutes 1976, Section 352.72, Subdivision 2, is amended to read:

Subd. 2. [COMPUTATION OF DEFERRED ANNUITY.] The deferred annuity, if any, accruing under subdivision 1, or section 352.22, subdivision 3, shall be computed in the manner provided in section 352.22, subdivision 3, and acts amendatory thereof, on the basis of allowable service prior to termination of state service and augmented as provided herein. The required reserves applicable to a deferred annuity or to an annuity for which a former employee was eligible but had not applied or to any deferred segment of an annuity shall be determined as of the date the benefit begins to accrue and augmented by interest compounded annually from the first day of the month following the

month in which the employee ceased to be a state employee, or July 1, 1971, whichever is later, to the first day of the month in which the annuity begins to accrue. The rates of interest used for this purpose shall be five percent compounded annually *until January 1, 1981, and thereafter three percent compounded annually*. If a person has more than one period of uninterrupted service, the required reserves related to each period shall be augmented by interest pursuant to this subdivision. The sum of the augmented required reserves so determined shall be the present value of the annuity. Uninterrupted service for the purpose of this subdivision shall mean periods of covered employment during which the employee has not been separated from state service for more than two years. If a person repays a refundment, the service restored by such repayment shall be considered as continuous with the next period of service for which the employee has credit with this system. The formula percentages used for each period of uninterrupted service shall be those as would be applicable to a new employee. The mortality table and interest assumption used to compute such annuity shall be those in effect at the time the employee files application for annuity. This section shall not reduce the annuity otherwise payable under this chapter.

Sec. 11. Minnesota Statutes 1976, Section 352B.30, Subdivision 2, is amended to read:

Subd. 2. [COMPUTATION OF DEFERRED ANNUITY.] Deferred annuities shall be computed in the manner provided by this chapter and acts amendatory thereof, on the basis of allowable service prior to termination of service and augmented as provided herein. The required reserves applicable to a deferred annuity shall be augmented by interest compounded annually from the first day of the month following the month in which the member terminated service, or July 1, 1971, whichever is later, to the first day of the month in which the annuity begins to accrue. The rates of interest used for this purpose shall be five percent per annum compounded annually *until January 1, 1981, and thereafter three percent per annum compounded annually*. The mortality table and interest assumption used to compute such annuity shall be those in effect at the time the member files application for annuity.

Sec. 12. Minnesota Statutes 1976, Section 352C.01, is amended to read:

352C.01 [LEGISLATIVE FINDING AND INTENT.] The legislature finds that service to Minnesota in the capacity of a constitutional officer or commissioner as defined in ~~sections 352C.01 to 352C.09~~ *section 13 of this act* constitutes a unique contribution to the state and that such service is dissimilar to any other public employment. The legislature further finds that service as a constitutional officer or commissioner for a period of ~~ten~~ *eight* years or longer deprives the individual so serving of normal opportunities to establish retirement benefits in his usual vocational pursuit and justifies adoption of special retirement provisions. The provisions of ~~sections 352C.01 to 352C.09~~ *this chap-*

ter are intended by the legislature to reflect the unique nature of service as a constitutional officer or commissioner and to have due regard for the unusual disruption of normal retirement planning that such service entails.

Sec. 13. Minnesota Statutes 1976, Chapter 352C, is amended by adding a section to read:

[352C.021] [DEFINITIONS.] *Subdivision 1. For purposes of this chapter, the following terms shall have the meanings given to them unless the language or context clearly indicates that a different meaning is intended.*

Subd. 2. [CONSTITUTIONAL OFFICER.] "Constitutional officer" means a person who was duly elected and qualified and is serving as governor, lieutenant governor, attorney general, secretary of state, state auditor or state treasurer of the state of Minnesota.

Subd. 3. [COMMISSIONER.] "Commissioner" means a person who was duly elected and qualified and is serving as an elected member of the public service commission of the state of Minnesota.

Subd. 4. [FORMER CONSTITUTIONAL OFFICER OR COMMISSIONER.] "Former constitutional officer or commissioner" means a person who has ceased to be a constitutional officer or commissioner subsequent to April 21, 1976 for any reason, including but not limited to the expiration of the term of office for which the person was elected, retirement or death.

Subd. 5. [SURVIVING SPOUSE.] "Surviving spouse" means the unmarried spouse of a deceased constitutional officer or commissioner or former constitutional officer or commissioner.

Subd. 6. [DEPENDENT CHILD.] "Dependent child" means any natural or adopted child of a deceased constitutional officer or commissioner or a deceased former constitutional officer or commissioner who is under the age of 18, or who is under the age of 22 and is a full time student, and who in either case is unmarried and was actually dependent for more than one half of his support upon the constitutional officer or commissioner or the former constitutional officer or commissioner for a period of least 90 days immediately prior to the death of the constitutional officer or commissioner or the former constitutional officer or commissioner. The term shall also include a posthumous child of the constitutional officer or commissioner or the former constitutional officer or commissioner.

Subd. 7. [ALLOWABLE SERVICE.] "Allowable service" means any years or months of service as a constitutional officer or as a commissioner, for which service the person made the contributions required by section 352C.09 on a current basis. The service need not be continuous. For any constitutional officer or commissioner or former constitutional officer or commissioner in office on or before July 1, 1967, allowable service shall include any service as a constitutional officer or commissioner prior to July 1, 1967 notwithstanding that the person did not make concurrent contributions as required by section 352C.09.

Subd. 8. [DIRECTOR.] "Director" means the executive director of the Minnesota state retirement system.

Sec. 14. Minnesota Statutes 1976, Chapter 352C, is amended by adding a section to read:

[352C.031] [RETIREMENT ALLOWANCE.] Subdivision 1. [UNREDUCED RETIREMENT ALLOWANCE.] Upon separation from service, a former constitutional officer or commissioner who has attained the age of at least 62 years and who has at least eight years of allowable service is entitled upon making written application on forms supplied by the director to a normal retirement allowance.

Subd. 2. [REDUCED RETIREMENT ALLOWANCE.] Upon separation from service, a former constitutional officer or commissioner who has attained the age of at least 60 years and who has at least eight years of allowable service is entitled upon making written application on forms supplied by the director to a retirement allowance in an amount equal to a normal retirement allowance reduced by one half of one percent for each month that the former constitutional officer or commissioner is under age 62.

Subd. 3. [AVERAGE SALARY.] Average salary for purposes of calculating the normal retirement allowance pursuant to subdivision 4 shall mean the average of the highest five successive years of salary upon which contributions have been made pursuant to section 352C.09.

Subd. 4. [RETIREMENT ALLOWANCE FORMULA.] The average salary multiplied by two and one half percent for each year of allowable service and pro rata for completed months less than a full year shall determine the amount of the normal retirement allowance.

Subd. 5. [BENEFIT ACCRUAL AND TERMINATION.] The benefit shall begin to accrue the first day of the month in which the application is received by the director but in no event earlier than the day following the termination of service or the attainment of the age required to receive such benefit, whichever is later. Thereafter, benefits shall be paid on the first day of each calendar month for that month. The benefit shall cease with the payment for the month in which the retired constitutional officer or commissioner died.

Sec. 15. Minnesota Statutes 1976, Chapter 352C, is amended by adding a section to read:

[352C.033] [DEFERRED ANNUITIES AUGMENTATION.] The deferred retirement allowance for any former constitutional officer or commissioner shall be augmented as provided in this section. The required reserves applicable to the deferred retirement allowance, determined as of the date the retirement allowance begins to accrue using the appropriate mortality table and an interest assumption of five percent, shall be augmented from the first of the month following termination of service as a constitutional officer or commissioner, or January 1, 1979, whichever is later, to the first day of the month in which the annuity begins to ac-

crue, at the rate of five percent per annum compounded annually until January 1, 1981, and thereafter at the rate of three percent per annum compounded annually.

Sec. 16. Minnesota Statutes 1976, Section 352C.04, Subdivision 1, is amended to read:

352C.04 [SPOUSE'S AND DEPENDENT CHILDREN'S SURVIVOR BENEFITS.] Subdivision 1. [SURVIVING SPOUSE BENEFIT.] Upon the death of a constitutional officer or commissioner while serving in such office, or a former constitutional officer or commissioner with at least eight years of allowable service, the surviving spouse is entitled to a survivor benefit in the amount of one-half of the retirement allowance of ~~such~~ the constitutional officer or commissioner or the former constitutional officer or commissioner computed as though ~~such~~ the constitutional officer or commissioner or the former constitutional officer or commissioner were at least age 65 62 on the date of death and based upon the attained allowable service or eight years, whichever is greater. *The augmentation provided in section 15 of this act, if applicable, shall be applied to the month of death. Upon the death of a former constitutional officer or commissioner receiving a retirement allowance, the surviving spouse shall be entitled to one half of the amount of the retirement allowance being paid to the former constitutional officer or commissioner as of the date of death.* Such benefit shall be paid to a surviving spouse eligible therefor during the remainder of the spouse's natural life or until remarriage. Upon remarriage such spouse shall no longer be eligible for such benefit except as provided in Minnesota Statutes, 1975 Supplement, Section 356.31.

Sec. 17. Minnesota Statutes 1976, Section 352C.04, Subdivision 2a, is amended to read:

Subd. 2a. [SURVIVING DEPENDENT CHILD BENEFIT.] Upon the death of a constitutional officer or commissioner while serving in ~~such~~ office, or a former constitutional officer or commissioner with at least eight years of allowable service, each dependent child of ~~such deceased constitutional officer or commissioner~~ shall be paid a survivor benefit in the following amount: First dependent child, a monthly benefit which equals 25 percent of the monthly retirement allowance of the constitutional officer or commissioner computed as though the constitutional officer or commissioner or the former constitutional officer or commissioner were at least age 65 62 on the date of his death and based upon the attained allowable service ~~for~~ or eight years, whichever is greater; for each additional dependent child or a monthly benefit which equals 12½ percent of the monthly retirement allowance of the constitutional officer or commissioner or the former constitutional officer or commissioner computed as in the case of the first child; but the total amount paid to the surviving spouse and dependent children shall not exceed in any one month 100 percent of the monthly allowance of the constitutional officer or commissioner or the former constitutional officer or commissioner computed as in the case of the first child. *The augmentation provided in section 16 of this act, if applicable, shall be*

applied to the month of death. Upon the death of a former constitutional officer or commissioner receiving a retirement allowance, the surviving dependent child shall be entitled to the applicable percentage of the amount of the retirement allowance being paid to the former constitutional officer or commissioner as of the date of death. The payments for dependent children shall be made to the surviving spouse or the guardian of the estate of the dependent child, if there is one. A posthumous child qualifies as a dependent child for benefits provided herein from the date of its birth.

Sec. 18. Minnesota Statutes 1976, Section 352C.04, is amended by adding a subdivision to read:

Subd. 4. [APPLICATION FOR SURVIVOR BENEFITS.] A surviving spouse or a guardian of the estate of the dependent child or children entitled to the payment of benefits under this section shall file an application for the benefit with the director, and payment shall commence as of the first day of the month next following the filing of the application and shall be retroactive to the first of the month following the death of the constitutional officer or commissioner or the former constitutional officer or commissioner; provided, however, that no payment shall be retroactive for more than 12 months prior to the month in which the application is filed with the director. Such benefits shall be paid on the first day of each calendar month for that month. The surviving spouse benefit shall cease with the payment for the month in which the surviving spouse dies or remarries as the case may be. The dependent child's benefit shall cease with the payment for the month in which the child no longer qualifies for payment as a dependent child.

Sec. 19. Minnesota Statutes 1976, Chapter 352C, is amended by adding a section to read:

[352C.051] [COVERAGE BY MORE THAN ONE RETIREMENT SYSTEM OR ASSOCIATION.] Subdivision 1. [ENTITLEMENT TO ANNUITY; LEGISLATIVE SERVICE.] Any constitutional officer or commissioner who has been a member of the legislature with service credited pursuant to chapter 3A shall be entitled when qualified to a retirement allowance from the legislator's retirement plan and the elective state officers plan if the total allowable service for which the person has credit in the two plans totals eight or more years, provided that no portion of the allowable service upon which the retirement allowance from one plan is based, is again used in the computation for benefits from the other plan. The retirement allowance from each plan shall be determined by the appropriate provisions of the law governing each plan, except that the requirement that a person must have at least eight years of allowable service in the respective plan shall not apply for purposes of this section, provided that the aggregate service in the two plans equals eight or more years. The augmentation of deferred annuities provided in section 3A.02, subdivision 4, and section 15 of this act, shall apply to the retirement allowances accruing hereunder.

Subd. 2. [ENTITLEMENT TO ANNUITY; PUBLIC RETIREMENT SERVICE.] Any constitutional officer or commis-

sioner who has been an employee covered by the Minnesota state retirement system, or a member of the public employees retirement association including the public employees retirement association police and fire fund, or the teachers retirement association, or the Minneapolis municipal employees retirement fund, or the highway patrol retirement association, or any other public employee retirement system in the state of Minnesota having a like provision, but excluding all other funds providing retirement benefits for police and firefighters, shall be entitled when qualified to an annuity from each fund if the person's total allowable service for which he has credit in all funds or in any two of these funds totals ten or more years, provided no portion of the allowable service upon which the retirement annuity from one fund is based is again used in the computation for benefits from another fund. The annuity from each fund shall be determined by the appropriate provisions of the law governing each fund, except that the requirement that a person must have at least ten years allowable service in the respective system or association shall not apply for the purposes of this section, provided that the aggregate service in two or more of these funds equals ten or more years. The augmentation of deferred annuities provided in section 15 of this act shall apply to the annuities accruing hereunder.

Subd. 3. [REFUND REPAYMENT.] Any former constitutional officer or commissioner who has received a refund as provided in section 352C.09, subdivision 2, who is a currently contributing member of a retirement fund specified or enumerated in subdivisions 1 or 2, may repay the refund to the elective state officers retirement plan, with interest at six percent per annum compounded annually.

Sec. 20. Minnesota Statutes 1976, Section 352C.09, Subdivision 1, is amended to read:

352C.09 [CONTRIBUTIONS.] Subdivision 1. Every constitutional officer or commissioner shall contribute eight percent of his or her total salary beginning the first full pay period after July 1, 1976, and nine percent of his or her total salary beginning the first full pay period after January 1, 1979, by payroll deduction, to be paid into the state treasury and deposited in the general fund. In case of retirement any unpaid deductions shall be deducted from any retirement allowance that becomes payable. All deductions and payments, if any, in lieu of deductions are to be paid into the state treasury and deposited in the general fund. It shall be the duty of the executive director of the Minnesota state retirement system to record the contributions of each constitutional officer or commissioner and credit such contribution to such officer's or commissioner's account.

Sec. 21. Minnesota Statutes 1976, Section 352C.09, Subdivision 2, is amended to read:

Subd. 2. (1) Any person who has made contributions pursuant to subdivision 1 who is no longer a constitutional officer or commissioner and is not receiving ; and has not received, or is not

entitled to receive any allowance or benefit under the provisions of sections 352C.01 to 352C.09 *this chapter* is entitled to receive upon application to the executive director of the Minnesota state retirement system a refundment refund of all contributions credited to his account without interest thereon. The moneys required for such refundments the refunds are appropriated annually to the director from the general fund in the state treasury.

(2) The refundment refund of contributions as provided in clause (1) above terminates all rights of a former constitutional officer or commissioner or his survivors under the provisions of sections 352C.01 to 352C.09 *this chapter*. Should the former constitutional officer or commissioner again hold such office after having taken a refundment refund as provided above, he shall be considered a new member for all purposes and such refundment refund may not be repaid for any credit or benefit whatever.

(3) No person shall be required to apply for or accept a refundment refund.

Sec. 22. Minnesota Statutes 1976, Section 352C.091, is amended by adding a subdivision to read:

Subd. 3. Sections 12 to 22 shall apply to constitutional officers and commissioners in office on and after July 1, 1977. Any constitutional officer or commissioner in office on the effective date of this act shall be entitled to elect to have his retirement allowance computed pro rata under the provisions of Minnesota Statutes 1976, Chapter 352C for all service prior to the effective date of this act and the provisions of this chapter, as amended by this act, for all service subsequent to the effective date of this act, or to have his retirement allowance computed entirely under the provisions of this chapter, as amended by this act. Any former constitutional officer or commissioner who terminated active service prior to July 1, 1977 but has not yet applied to receive a retirement allowance under the provisions of this chapter shall be entitled to apply for and commence receipt of a retirement allowance at the age specified in section 14, subdivision 1, of this act, be covered by the deferred annuities augmentation provision contained in section 16 of this act, and be included in the coverage by more than one retirement system provision set forth in section 19 of this act.

Sec. 23. Minnesota Statutes, 1977 Supplement, Section 353.01, Subdivision 2b, is amended to read:

Subd. 2b. [EXCLUDED EMPLOYEES.] The following persons are excluded from the meaning of "public employee":

(a) Persons employed for professional services where such service is incidental to regular professional duties.

(b) Election officers.

(c) Independent contractors and their employees.

(d) Patient and inmate help in governmental subdivision charitable, penal and correctional institutions.

(e) Members of boards, commissions, bands and others who serve the governmental subdivision intermittently.

(f) Employees who hold positions of an essentially temporary or seasonal character, provided such employment does not continue for a period in excess of 120 working days in any calendar year. Immediately following the expiration of such 120 working days if such employees continue in public service and earn in excess of \$250 in any one calendar month, the department heads must then report all such employees for membership and must cause employee contributions to be made on behalf of such employees in accordance with section 353.27, subdivision 4, and they shall remain members until termination of public service.

(g) Part time employees who receive monthly compensation not exceeding \$250, and part time employees and elected officials whose annual compensation is stipulated in advance to be not more than \$3,000 per year, except that members shall continue their membership until termination of public service.

(h) Persons who first occupy an elected office after February 1, 1969, the compensation for which does not exceed \$150 per month.

(i) Emergency employees who are employed by reason of work caused by fire, flood, storm or similar disaster.

(j) Employees who by virtue of their employment are required to contribute to any other pension, relief or retirement fund established for the benefit of officers and employees of a governmental subdivision, except as an act of the legislature has specifically enabled participation by employees of a designated governmental subdivision in a plan supplemental to the public employees retirement association; provided that this clause shall not prevent a person who belongs from contributing to the public employees retirement association from and also belonging to or contributing to a volunteer firemen's relief association that does not determine its benefits or contributions on the basis of the salary or compensation of the fireman another public pension fund for other service occurring during the same period of time.

(k) Police matrons employed in a police department of any city who are transferred to the jurisdiction of a joint city and county detention and corrections authority.

(l) Chaplains and nuns who have taken a vow of poverty as members of a religious order.

(m) Full time students who are enrolled and are regularly attending classes at an accredited school, college or university; provided, no full time public employees shall be exempt under this paragraph and any such employees presently exempt hereunder shall become members as of July 1, 1976.

(n) Resident physicians, medical interns and pharmacist interns who are serving in public hospitals.

(o) Appointed or elected officers, paid entirely on a fee basis, and who were not members on June 30, 1971.

(p) Nothing in Laws 1973, Chapter 753 shall be interpreted to impair or revoke any option exercised under Laws 1963, Chapter 793.

(q) *Town, city or county assessors elected or appointed pursuant to chapter 273 who do not receive compensation in excess of \$250 per month from any one employing governmental subdivision or who are employed pursuant to an employment contract which sets forth the total compensation to be paid and the length of service, not to exceed three months in duration, required for the performance of the contract and which was entered into in advance of the commencement of employment.*

Sec. 24. Minnesota Statutes 1976, Section 353.01, Subdivision 12, is amended to read:

Subd. 12. [TEMPORARY LAYOFF.] "Temporary layoff" or "seasonal leave of absence" including seasonal leave of absence, mean a suspension of public employment for a period not exceeding three and one-half months in any calendar year, by action of the employing governmental subdivision evidenced by appropriate record of the employer and promptly transmitted to the association.

Sec. 25. Minnesota Statutes 1976, Section 353.01, Subdivision 16, is amended to read:

Subd. 16. [ALLOWABLE SERVICE.] "Allowable service" means:

(1) Service during years of actual membership in the course of which employee contributions were currently made; periods covered by payments in lieu of salary deductions made as provided in section 353.35, and service in years during which the public employee was not a member but for which he later elected, while a member, to obtain credit by making payments to the fund as permitted by any law then in effect.

(2) Any period of authorized leave of absence with pay from which deductions for employee contributions are made, deposited, and credited to the fund.

(3) Any period of authorized leave of absence without pay or temporary layoff, during or for which a member obtained credit by payments to the fund made in lieu of salary deductions, provided that such payments are made in an amount or amounts based on his average salary on which deductions were paid (a) for the last six months of public service, or (b) that portion of the last six months while he was in public service, to apply to the period in either case immediately preceding commencement of such leave of absence or temporary layoff; provided, however, that if the employee elects to pay employee contributions for the period of any leave of absence without pay or temporary layoff, or for any portion thereof, he shall also, as a condition to the exercise of such election, pay to the fund an amount equivalent to both the required employer and additional employer contributions therefor, such payment to be made currently or within one

year from the date the leave of absence or temporary layoff terminates, unless the employer by appropriate action of its governing body and made a part of its official records, prior to the date of the first payment of such employee contribution, certifies to the association in writing that it will cause to be paid such employer and additional employer contributions from the proceeds of a tax levy made pursuant to section 353.28. Payments under this clause shall include interest at the rate of six percent per annum from the date of the termination of the leave of absence or temporary layoff to the date payment is made.

(4) Any period during which a member is on an authorized sick leave of absence, with or without pay, an authorized seasonal leave of absence, or an authorized temporary layoff.

(5) Any period during which a member is on an authorized leave of absence to enter military service, provided that the member returns to public service upon discharge from military service pursuant to section 192.262, and pays into the fund employee contributions based upon his salary at the date of return from military service. The amount of these contributions shall be in accord with the contribution rates and salary limitations, if any, in effect during such leave, plus interest thereon at six percent per annum compounded annually from the date of return to public service to the date payment is made. In such cases the matching employer contribution and additional employer contribution provided in section 353.27, subdivisions 3 and 3a, shall be paid by the department employing such member upon his return to public service and the governmental subdivision involved is hereby authorized to appropriate money therefor. Such member shall not receive credit for any voluntary extension of military service at the instance of the member beyond the initial period of enlistment, induction or call to active duty.

Sec. 26. Minnesota Statutes 1976, Section 353.01, Subdivision 20, is amended to read:

Subd. 20. [DEPENDENT SPOUSE.] "*Dependent Surviving spouse*" means the unremarried spouse of a deceased member who was living with and dependent for more than one-half of support upon the member at the time of death, or at the time the member became totally and permanently disabled.

Sec. 27. Minnesota Statutes 1976, Section 353.017, Subdivision 2, is amended to read:

Subd. 2. [ELECTION.] A person described in subdivision 1 will be covered by the association if written election to be covered is delivered to the board before July 1, 1976 or before July 1, 1978 or within 30 days of being employed by such labor organization, whichever is later.

Sec. 28. Minnesota Statutes, 1977 Supplement, Section 353.03, Subdivision 1, is amended to read:

353.03 [BOARD OF TRUSTEES.] Subdivision 1. [MANAGEMENT; COMPOSITION; ELECTION.] The management of the

public employees retirement fund is hereby vested in a board of trustees consisting of 15 members, who shall be known as the board of trustees. This board shall consist of three ~~four~~ trustees, one of whom shall be designated by each of the following associations or organizations, Minnesota school boards association, League of Minnesota Cities, and Association of Minnesota Counties and the executive committee of the statewide general labor organization which includes among its membership the employee organizations, as defined in section 179.63, subdivision 5, which represent the largest number of employees who are association members; nine area trustees, who shall be elected from the membership employed in one of the areas described below by the members employed in such area except members of the police and fire fund; one trustee who shall be a retired annuitant elected at large by other annuitants; and one trustee who is a member of the police and fire fund elected at large by the membership of the police and fire fund. The remaining trustee shall be elected prior to January 1 by the governing bodies of employee organizations, as defined in section 179.63, subdivision 5, representing association employees; provided that in making the election each employee organization shall have one vote for each association employee it represents. The respective governing bodies shall implement and administer a system for the election of this member and the filling of vacancies, and any dispute in the election process shall be resolved by the secretary of state. Elected trustees shall hold office for a term of four years. For seven days beginning December 1 of each year, the association shall accept at its office filings in person or by mail of candidates for the board of trustees. An area candidate shall submit at the time of filing a nominating petition signed by 25 or more members of the fund from the area of the candidate, a retired annuitant candidate, a nominating petition signed by 25 or more such annuitants, and a police and fire fund candidate, a nominating petition signed by 25 or more members of such fund. No nominee may withdraw his name from nomination after December 15. By January 10 of each year in which elections are to be held the board shall distribute by mail to the members and annuitants ballots listing the candidates. No member may vote for more than one candidate but a blank line shall be provided for a write in vote. A ballot indicating a vote for more than one person shall be void. No special marking may be used on the ballot to indicate incumbents. The last day for mailing ballots to the fund shall be January 31. Except as provided in this section, all terms expire on January 31 of the fourth year, and the position shall remain vacant until the newly elected member is qualified. The ballot envelopes shall be so designed and the ballots shall be counted in such a manner as to insure that each vote is secret. For the purpose of electing the nine area trustees, the state shall be divided into three areas as follows: Area one shall include Anoka, Hennepin, Ramsey and Washington counties. Area two shall include Big Stone, Swift, Kandiyohi, Meeker and Wright counties and all counties south thereof, except counties in area one. Area three shall include all the remaining counties of the state. If any governmental unit is located in more than one area, place of employment shall be deemed to be in the area in which the main of-

fice of the governmental unit is located. Each year for three years one area trustee shall be elected to a four-year term from each area by the members employed in the respective areas. In the fourth year one trustee shall be elected at large by the police and fire fund membership and one trustee elected at large by the annuitants.

Notwithstanding the foregoing, however, in order to provide for a transition to regional elections, in the year 1978 only, a retired trustee shall be elected by the annuitants, and three trustees shall be elected from each of the three areas by the members of the area who may vote for only one candidate. The annuitant candidate receiving the most votes shall serve a three-year term, the candidate in each area receiving the largest number of votes shall serve a four-year term, the candidate in each area receiving the second largest number of votes shall serve a two-year term and the candidate in each area receiving the third largest number of votes shall serve a one-year term. The elections shall be supervised by the secretary of state. It shall be the duty of the board of trustees to faithfully administer the law without prejudice and consistent with the expressed intent of the legislature. They shall act as trustees with a fiduciary obligation to the state of Minnesota which created the fund, the taxpayers of the governmental subdivisions which aid in financing it and the public employees who are its beneficiaries.

Sec. 29. Minnesota Statutes 1976, Section 353.30, Subdivision 1, is amended to read:

353.30 [ANNUITIES UPON RETIREMENT.] Subdivision 1. Upon separation from public service any person who has attained the age of at least 58 years *but not more than 65 years* and who received credit for not less than 20 years of allowable service is entitled upon application to a retirement annuity in an amount equal to the normal annuity provided in section 353.29, subdivisions 2 and 3, reduced by *one-half of one percent for each month that the member is under age 65 at the time of retirement so that the reduced annuity shall be the actuarial equivalent of the annuity which would be payable to the member if the member deferred receipt of the annuity from the date of retirement to age 65.*

Sec. 30. Minnesota Statutes 1976, Section 353.30, Subdivision 1b, is amended to read:

Subd. 1b. Any person with 30 years or more of allowable service credit who elects early retirement under subdivision 1, shall receive an annuity reduced by *one-half of one percent for each month that such person is under age 62 at the time of retirement so that the reduced annuity shall be the actuarial equivalent of the annuity which would be payable to the member if the member deferred receipt of the annuity from the date of retirement to age 62.*

Sec. 31. Minnesota Statutes 1976, Section 353.30, is amended by adding a subdivision to read:

Subd. 1c. [EARLY RETIREMENT AT AGE 62; REDUCTION

IN ANNUITY.] *Any person who has attained the age of at least 62 years but not more than 65 years, and who received credit for not less than ten years of allowable service is entitled upon application to a retirement annuity in an amount equal to the normal annuity provided in section 353.29, subdivisions 2 and 3, reduced so that the reduced annuity shall be the actuarial equivalent of the annuity which would be payable to the member if the member deferred receipt of the annuity from the date of retirement to age 62.*

Sec. 32. Minnesota Statutes 1976, Section 353.31, Subdivision 1, is amended to read:

353.31 [SURVIVOR BENEFITS.] Subdivision 1. [BENEFITS FOR SURVIVING SPOUSE AND DEPENDENT CHILDREN; BEFORE RETIREMENT.] Upon the death of a "basic member" before retirement or upon the death of a "basic member" who was disabled and receiving disability benefits pursuant to section 353.33 at the time of his death who has had at least 18 months of credited allowable service, his surviving dependent spouse and dependent children, as defined in section 353.01, subdivisions 15 and 20, shall receive the monthly benefit provided below:

- | | |
|--------------------------------|--|
| (a) Surviving dependent spouse | 30 percent of the member's monthly average salary in effect over the last full six months of allowable service preceding death |
| (b) Each dependent child | 10 percent of the member's monthly average salary in effect over the last full six months of allowable service preceding death |

Payments for the benefit of any dependent child, as defined in section 353.01, subdivision 15, shall be made to the surviving parent, or if there be none, to the legal guardian of such child. The maximum monthly benefit for any one family shall not exceed \$450, and the minimum benefit per family shall not be less than 30 percent of the "basic member's" said average salary, subject to the aforementioned maximum. The surviving dependent spouse benefit shall terminate upon his or her remarriage, and the dependent children's benefit shall be reduced pro tanto when any child is no longer dependent.

Any survivor of a "basic member" whose average salary was less than \$75 per month shall not be entitled to the benefits provided in this subdivision.

Under the terms of this subdivision there are no survivor benefits, as such, payable to the surviving spouse or dependent children of any deceased "coordinated member."

Sec. 33. Minnesota Statutes 1976, Section 353.32, Subdivision 5, is amended to read:

Subd. 5. [\$1,500 OR LESS, LIMITED.] If a member or former member dies without having designated a beneficiary, or if the beneficiary should die before making application for refund of the sum to the credit of such decedent, and the amount of the refund

is \$500 \$1,500 or less, the board of trustees may 90 days after the date of death in the absence of probate proceedings, make payment to the surviving spouse of the said decedent, or, if none, to the next of kin under the laws of descent of the state of Minnesota. Such payment shall be a bar to recovery by any other person or persons. Any retirement annuity, disability or survivor benefit which shall have accrued at the time of death of an annuitant, disabilitant or survivor may be paid in like manner.

Sec. 34. Minnesota Statutes 1976, Section 353.32, Subdivision 9, is amended to read:

Subd. 9. [PAYMENT TO A MINOR.] If a member or former member dies having named as his beneficiary a person who is a minor at the time of the application for refund and the amount of the refund does not exceed \$500 \$1,500 , exclusive of interest, the board of trustees in the absence of guardianship or probate proceedings may make payment to the natural guardian having custody of such minor beneficiary, for the benefit of such child. Any annuity or disability benefit payable at the time of death of an annuitant or recipient of a disability benefit, which is payable to a beneficiary who is a minor, may be paid in the same manner. Such payment shall be a bar to recovery by any other person or persons.

Sec. 35. Minnesota Statutes 1976, Section 353.33, Subdivision 11, is amended to read:

Subd. 11. [RETIREMENT STATUS AT AGE 65.] No person shall be entitled to receive disability benefits and a retirement annuity at the same time. The disability benefits paid to a person hereunder shall terminate when he reaches age 65, if he is still totally and permanently disabled. At that time he shall be deemed to be on retirement status and may at his option be paid either a normal retirement annuity as provided in section 353.29 or normal retirement annuity equal to the disability benefit paid to him before he reached age 65, whichever amount is greater. Any disabled person who becomes age 65 after June 30, 1973, shall have his annuity computed in accordance with the law in effect on July 1, 1973 upon attainment of age 65 . A person who elects an annuity under section 353.29 may, prior to age 65, select an optional annuity pursuant to section 353.30, subdivision 3.

Sec. 36. Minnesota Statutes 1976, Section 353.34, Subdivision 6, is amended to read:

Subd. 6. [ADDITIONS TO FUND.] The board of trustees may credit to the fund any moneys received in the form of contributions, donations, gifts, appropriations, bequests, or otherwise. Refundable accumulated deductions of any former member, if unclaimed for a period of five years after separation from public services, shall be credited to a donations suspense account. The board of trustees may pay refunds of accumulated deductions, from such donations suspense account, upon proper application therefor. After the refundable accumulated deductions of any former member have remained in such donations suspense account for a period of ten years, without application for a refund thereof

having been made, such deductions shall be transferred to and credited to the retirement fund proper. In the event the former member should return to public service, the amount so credited to the retirement fund shall be restored to his individual account.

Sec. 37. Minnesota Statutes, 1977 Supplement, Section 353.36, Subdivision 2, is amended to read:

Subd. 2. [EMPLOYEE CONTRIBUTIONS; INTEREST; MATCHING PAYMENT.] A person who has at least one year of allowable service with the association and who has prior public service on which salary deductions were not taken for the retirement fund and who does not have the required minimum number of years of allowable service credit to qualify for an annuity, may apply for such annuity if otherwise qualified, and within 90 days thereafter purchase whatever period of said public service is necessary to bring his total allowable service credit to said minimum, provided that last service shall be purchased first. Such person may gain such allowable service credit by paying six percent the applicable percentage of the salary covered under the law in effect at the time that such public service was performed, with interest. *If the person is a basic member, the applicable percentage is eight percent, and if the person is a coordinated member, the applicable percentage is four percent. Interest thereon at the rate of six percent per annum compounded annually from the date first payable to the date payment is made, plus a matching amount must be paid*, unless the employer agrees to pay said matching amount pursuant to subdivision 2a. An annuity shall accrue as provided in section 353.29, subdivision 7, but no annuity shall be paid until the applicant's payment is made in full for the prior public service; if said payment is not made within such 90 days, the application for retirement shall be void.

Sec. 38. Minnesota Statutes 1976, Section 353.656, Subdivision 6, is amended to read:

Subd. 6. [RETIREMENT STATUS AT AGE 55.] All disability benefits payable under this section shall terminate when the disabled fireman or police officer becomes 55 years of age. Thereafter, retirement benefits shall be paid to the disabled fireman or police officer in the same amount as the disability benefits which he was previously receiving. Any disabled person who becomes age 55 after June 30, 1973, shall have his annuity computed in accordance with the law in effect on July 1, 1973 upon attainment of age 55. Prior to reaching age 55, a disabled person may select an optional annuity pursuant to section 353.30, subdivision 3.

Sec. 39. Minnesota Statutes 1976, Section 353.657, Subdivision 1, is amended to read:

353.657 [SURVIVOR BENEFITS.] Subdivision 1. In the event any member of the police and fire fund shall die from any cause, the association shall grant survivor benefits to any dependent surviving spouse who was residing with him at the time of his death and who was married to him for a period of at least one year, and to a dependent child or children, unmarried and under the age of 18 years. The spouse and child or children shall be

entitled to monthly benefits as provided in the following subdivisions.

Sec. 40. Minnesota Statutes 1976, Section 353.71, Subdivision 2, is amended to read:

Subd. 2. [DEFERRED ANNUITY COMPUTATION; AUGMENTATION.] The deferred annuity, if any, accruing under subdivision 1, or sections 353.34, subdivision 3, and 353.68, subdivision 4, shall be computed in the manner provided in said sections, on the basis of allowable service prior to termination of public service and augmented as provided herein. The required reserves applicable to a deferred annuity, or to an annuity for which a former member was eligible but had not applied, or to any deferred segment of an annuity shall be determined as of the date the annuity begins to accrue and shall be augmented by interest at the rate of five percent per annum compounded annually from the first day of the month following the month in which the former member ceased to be a public employee, or July 1, 1971, whichever is later, to the first day of the month in which the annuity begins to accrue, *at the rate of five percent per annum compounded annually until January 1, 1981, and thereafter at the rate of three percent per annum compounded annually*. If a person has more than one period of uninterrupted service, the required reserves related to each period shall be augmented by interest pursuant to this subdivision. The sum of the augmented required reserves so determined shall be the present value of the annuity. Uninterrupted service for the purpose of this subdivision shall mean periods of covered employment during which the employee has not been separated from public service for more than two years. If a person repays a refund, the service restored thereby shall be considered as continuous with the next period of service for which the employee has credit with this association. The formula percentages used for each period of uninterrupted service shall be those as would be applicable to a new employee. This section shall not reduce the annuity otherwise payable under this chapter. This subdivision shall apply to deferred annuitants of record on July 1, 1971 and to employees who thereafter become deferred annuitants; it shall also apply from July 1, 1971 to former members who make application for an annuity after July 1, 1973.

Sec. 41. Minnesota Statutes, 1977 Supplement, Section 354.41, Subdivision 6, is amended to read:

Subd. 6. Any such former member who elects membership in the fund as authorized by subdivision 4 shall be eligible to make payment for service which was rendered prior to July 1, 1975 in any of the organizations enumerated in subdivision 4, provided the organization makes satisfactory certification of such service as prescribed in section 354.05, subdivision 28. This payment shall be limited to the most recent five years of allowable service credit and shall include all required employee and employer contributions as provided in section 354.42, subdivisions 2, 3 and 5 *at the rates in effect when the service was rendered*. Interest shall be paid on both the employee and employer contributions at the rate of six percent per annum compounded annually from the end of the

fiscal year during which such service was rendered to the date of payment. *The employer may pay the required employer contributions as provided in section 354.42, subdivisions 3 and 5, plus interest at the specified rate.* The payment described herein must be made in one lump sum prior to July 1, 1980 or prior to retirement, whichever is earlier. *No allowable or formula service with respect to such payment shall be credited to the employee's account until payment is received by the executive director.*

Sec. 42. Minnesota Statutes 1976, Section 354.41, is amended by adding a subdivision to read:

Subd. 8. Any member who has been employed by an organization designated in subdivision 4 may receive up to five years of allowable service credit in the fund by making payment for such service under the conditions prescribed by subdivision 6.

Sec. 43. Minnesota Statutes 1976, Section 354.55, Subdivision 11, is amended to read:

Subd. 11. Any person covered under section 354.44, subdivisions 6 and 7, who ceases or has ceased to render teaching service may leave his accumulated deductions in the fund for the purpose of receiving a deferred annuity at retirement. Eligibility for such an annuity shall be determined by the provisions of section 354.44, subdivision 1, or section 354.60.

The amount of the deferred retirement annuity shall be determined by section 354.44, subdivisions 6 and 7, and augmented as provided herein. The required reserves related to that portion of the annuity which had accrued at the time the member ceased to render teaching service shall be augmented by interest compounded annually from the first day of the month following the month during which the member ceased to render teaching service to the effective date of retirement. There shall be no augmentation if this period is less than three months. The rates of interest used for this purpose shall be five percent commencing July 1, 1971, until January 1, 1981, and three percent thereafter. If a person has more than one period of uninterrupted service, the required reserves related to each period shall be augmented by interest pursuant to this subdivision. The sum of the augmented required reserves so determined shall be the basis for purchasing the deferred annuity. If a person does not render teaching service in any one or more consecutive fiscal years and then resumes teaching service, the formula percentages used from date of resumption will be those applicable to new members. The mortality table and interest assumption contained therein used to compute such annuity will be determined by the law in effect at the time of the member's retirement. A period of uninterrupted service for the purposes of Laws 1971, Chapter 87 shall mean a period of covered teaching service during which the member has not been separated from such service for more than one fiscal year.

The provisions of this subdivision shall not apply to variable account accumulations as defined in section 354.05, subdivision 23.

In no case shall the annuity payable herein be less than the amount of annuity payable pursuant to section 354.44, subdivisions 6 and 7.

The requirements and provisions for retirement prior to age 65 contained in section 354.44, subdivision 6, clause (2) shall also apply to an employee fulfilling such requirements with a combination of service as provided in section 354.60.

Sec. 44. Minnesota Statutes 1976, Section 356.32, Subdivision 1, is amended to read:

356.32 [PROPORTIONATE RETIREMENT ANNUITY.] Subdivision 1. Notwithstanding any provision to the contrary of the laws governing any of the retirement funds enumerated in subdivision 2, any person who is employed in a position covered by any such fund, who has credit for at least three years but less than ten years of allowable service in such fund or a combination of such funds, and who is required to terminate service at age 65 or earlier pursuant to a mandatory retirement statute or a uniformly applied mandatory retirement policy established by the employer, shall be entitled upon application to a proportionate retirement annuity from each such fund in which he has allowable service credit, based upon his allowable service credit at the time of mandatory retirement; provided, however, that nothing in this section shall prevent the actuarial reduction of an annuity for which application is made prior to normal retirement age.

Sec. 45. Minnesota Statutes 1976, Section 422A.16, Subdivision 10, is amended to read:

Subd. 10. All deferred allowances granted under this section shall be calculated as of the date of separation and shall be increased by the interest assumption rate provided for in chapter 356 until January 1, 1981, and thereafter by the interest rate of three percent per year compounded annually.

Sec. 46. [REPEALER.] Minnesota Statutes 1976, Sections 352C.02; 352C.03; 352C.05; 352C.06; and 352C.08; and Minnesota Statutes, 1977 Supplement, Section 353.32, Subdivision 7, are repealed.

Sec. 47. Sections 1, 2, 3, 4, 6, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 21, 22, 27, 28, 40, 43, and 45 shall be effective the day following final enactment. Sections 23, 24, 25, 26, 32, 33, 34, 35, 36, 37, 38, 39, 41, 42, 44 and 46 shall be effective July 1, 1978. Sections 5, 7 and 20 shall be effective January 1, 1979. Sections 29, 30, and 31 shall be effective April 1, 1979. Any person who was a member pursuant to section 353.01, subdivision 16, clause (3) prior to the election authorized by section 27 and was a basic member shall remain a basic member notwithstanding the provisions of section 353.017, subdivision 1 to the contrary.

The reduced augmentation rates shall apply to persons who are already on deferred status as of December 31, 1980, as well as to persons who terminate public service thereafter, but shall have no effect on rates of augmentation for periods of deferral prior to December 31, 1980. The augmentation rate added to the elective

state officers plan shall apply to persons who are already on deferred status as of the day prior to the effective date of section 15, as well as to persons who terminate public service thereafter."

Further, delete the title and insert the following:

"A bill for an act relating to retirement; miscellaneous amendments; administrative amendments to the public employees retirement law; modifying the rate of deferred annuity augmentation; modifying certain benefits and increasing contributions for legislators retirement; improving benefits and increasing contributions for constitutional officers; amending Minnesota Statutes 1976, Sections 3A.01, by adding subdivisions; 3A.02, Subdivisions 2 and 4, and by adding a subdivision; 3A.03, Subdivision 1; 352.72, Subdivision 2; 352B.30, Subdivision 2; 352C.01; 352C.04, Subdivisions 1, 2a, and by adding a subdivision; 352C.09, Subdivisions 1 and 2; 352C.091, by adding subdivisions; 353.01, Subdivisions 12, 16, and 20; 353.017, Subdivision 2; 353.30, Subdivisions 1 and 1b, and by adding a subdivision; 353.31, Subdivision 1; 353.32, Subdivisions 5 and 9; 353.33, Subdivision 11; 353.34, Subdivision 6; 353.656, Subdivision 6; 353.657, Subdivision 1; 353.71, Subdivision 2; 354.41, by adding a subdivision; 354.55, Subdivision 11; 356.32, Subdivision 1; 422A.16, Subdivision 10; Chapter 352C, by adding sections; and Minnesota Statutes, 1977 Supplement, Sections 3A.02, Subdivision 1; 3A.04, Subdivisions 1 and 2; 353.01, Subdivision 2b; 353.03, Subdivision 1; 353.36, Subdivision 2; and 354.41, Subdivision 6; repealing Minnesota Statutes 1976, Sections 352C.02; 352C.03; 352C.05; 352C.06; 352C.08; and Minnesota Statutes, 1977 Supplement, Section 353.32, Subdivision 7."

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Leo J. Reding, Al W. Patton, David J. Beauchamp.

Senate Conferees: (Signed) Eugene E. Stokowski, Roger E. Strand, Harmon T. Ogdahl.

Mr. Stokowski moved that the foregoing recommendations and Conference Committee Report on H. F. No. 1861 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H. F. No. 1861: A bill for an act relating to retirement; miscellaneous amendments; administrative amendments to the public employees retirement law; modifying the rate of deferred annuity augmentation; modifying certain benefits and increasing contributions for legislators retirement; improving benefits and increasing contributions for constitutional officers; amending Minnesota Statutes 1976, Sections 3A.01, by adding subdivisions; 3A.02, Subdivisions 2 and 4, and by adding a subdivision; 3A.03, Subdivision 1; 352.72, Subdivision 2; 352B.30, Subdivision 2; 352C.01; 352C.04, Subdivisions 1, 2a, and by adding a subdivision; 352C.09, Subdivisions 1 and 2; 352C.091, by adding subdivisions; 353.01, Subdivisions 12, 16, and 20; 353.017, Subdivision 2; 353.30, Sub-

divisions 1 and 1b, and by adding a subdivision; 353.31, Subdivision 1; 353.32, Subdivisions 5 and 9; 353.33, Subdivision 11; 353.34, Subdivision 6; 353.656, Subdivision 6; 353.657, Subdivision 1; 353.71, Subdivision 2; 354.41, by adding a subdivision; 354.55, Subdivision 11; 356.32, Subdivision 1; 422A.16, Subdivision 10; Chapter 352C, by adding sections; and Minnesota Statutes, 1977 Supplement, Sections 3A.02, Subdivision 1; 3A.04, Subdivisions 1 and 2; 353.01, Subdivision 2b; 353.03, Subdivision 1; 353.36, Subdivision 2; and 354.41, Subdivision 6; repealing Minnesota Statutes 1976, Sections 352C.02; 352C.03; 352C.05; 352C.06; 352C.08; and Minnesota Statutes, 1977 Supplement, Section 353.32, Subdivision 7.

Was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

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

Those who voted in the affirmative were:

Anderson	Gunderson	Laufenburger	Olson	Staples
Benedict	Hanson	Lessard	Penny	Stokowski
Bernhagen	Hughes	Lewis	Peterson	Strand
Borden	Humphrey	Luther	Purfeerst	Stumpf
Brataas	Johnson	McCutcheon	Renneke	Tennessee
Chenoweth	Keefe, J.	Menning	Schmitz	Ueland, A.
Chmielewski	Keefe, S.	Merriam	Schrom	Ulland, J.
Coleman	Kirchner	Moe	Setzepfandt	Wegener
Dieterich	Kleinbaum	Nelson	Sikorski	Willet
Dunn	Knaak	Nichols	Sillers	
Engler	Knoll	Ogdahl	Solon	
Gearty	Knutson	Olhoff	Spear	

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

MESSAGES FROM THE HOUSE—CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 2098 and repassed said bill in accordance with the report of the Committee, so adopted.

H. F. No. 2098: A bill for an act relating to family planning services; providing for special grants to provide family planning services; requiring informed consent; providing a penalty; appropriating funds; amending Minnesota Statutes 1976, Section 145.922, by adding subdivisions.

House File No. 2098 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 23, 1978

CONFERENCE COMMITTEE REPORT ON H. F. NO. 2098

A bill for an act relating to family planning services; providing for special grants to provide family planning services; requiring informed consent; providing a penalty; appropriating funds; amending Minnesota Statutes 1976, Section 145.922, by adding subdivisions.

March 23, 1978

The Honorable Martin O. Sabo
Speaker of the House of Representatives

The Honorable Edward J. Gearty
President of the Senate

We, the undersigned conferees for H. F. No. 2098, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and H. F. No. 2098 be amended as follows:

Strike everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1976, Chapter 145, is amended by adding a section to read:

[145.9215] [FAMILY PLANNING GRANTS.] *Subdivision 1. The commissioner of health may make special grants to cities, counties, groups of cities or counties, or nonprofit corporations to provide pre-pregnancy family planning services.*

Subd. 2. The commissioner shall not make special grants pursuant to this section to any nonprofit corporation which performs abortions. No state funds shall be used under contract from a grantee to any nonprofit corporation which performs abortions. This provision shall not apply to hospitals licensed pursuant to sections 144.50 to 144.56, or health maintenance organizations certified pursuant to chapter 62D.

Subd. 3. No funds provided by grants made pursuant to this section shall be used to support any family planning services for any unemancipated minor in any elementary or secondary school building.

Subd. 4. Except as provided in sections 144.341 and 144.342, any person employed to provide family planning services who is paid in whole or in part from funds provided under this section who advises an abortion or sterilization to any unemancipated minor shall, following such a recommendation, so notify the parent or guardian of the reasons for such an action.

Subd. 5. The commissioner of health shall promulgate rules for approval of plans and budgets of prospective grant recipients, for the submission of annual financial and statistical reports, and the maintenance of statements of source and application of funds by grant recipients. The commissioner of health may not require that any home rule charter or statutory city or county apply for

or receive grants under this subdivision as a condition for the receipt of any state or federal funds unrelated to family planning services.

Subd. 6. The request of any person for family planning services or his or her refusal to accept any service shall in no way affect the right of the person to receive public assistance, public health services, or any other public service. Nothing in this section shall abridge the right of the individual to make decisions concerning family planning, nor shall any individual be required to state his or her reason for refusing any offer of family planning services.

Any employee of the agencies engaged in the administration of the provisions of this section may refuse to accept the duty of offering family planning services to the extent that the duty is contrary to his personal beliefs. A refusal shall not be grounds for dismissal, suspension, demotion, or any other discrimination in employment. The directors or supervisors of the agencies shall reassign the duties of employees in order to carry out the provisions of this section.

All information gathered by any agency, entity, or individual conducting programs in family planning is private data on individuals within the meaning of section 15.162, subdivision 5a.

Subd. 7. A grant recipient shall inform any person requesting counselling on family planning methods or procedures of:

(1) Any methods or procedures which may be followed, including identification of any which are experimental or any which may pose a health hazard to the person;

(2) A description of any attendant discomforts or risks which might reasonably be expected;

(3) A fair explanation of the likely results, should a method fail;

(4) A description of any benefits which might reasonably be expected of any method;

(5) A disclosure of appropriate alternative methods or procedures;

(6) An offer to answer any inquiries concerning methods of procedures; and

(7) An instruction that the person is free either to decline commencement of any method or procedure or to withdraw consent to a method or procedure at any reasonable time.

Subd. 8. Any person who receives compensation for services under any program receiving financial assistance under this section, who coerces or endeavors to coerce any person to undergo an abortion or sterilization procedure by threatening the person with the loss of or disqualification for the receipt of any benefit or service under a program receiving state or federal financial assistance shall be guilty of a misdemeanor.

Sec. 2. [APPROPRIATION.] *The sum of \$1,300,000 is appropriated from the general fund to the commissioner of health for the biennium ending June 30, 1979, for the purposes of this act. The legislative complement for the department of health is increased by two positions.*

Sec. 3. *This act is effective on the day following final enactment."*

Further, amend the title as follows:

Page 1, line 6, delete everything after the first comma and insert "Chapter 145, by adding a section."

Page 1, delete line 7.

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Linda L. Berglin, Linda J. Scheid

Senate Conferees: (Signed) Steve Keefe, Jerald C. Anderson, Robert G. Dunn

Mr. Keefe, S. moved that the foregoing recommendations and Conference Committee Report on H. F. No. 2098 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H. F. No. 2098: A bill for an act relating to family planning services; providing for special grants to provide family planning services; requiring informed consent; providing a penalty; appropriating funds; amending Minnesota Statutes 1976, Chapter 145, by adding a section.

Was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 48 and nays 14, as follows:

Those who voted in the affirmative were:

Anderson	Frederick	Knaak	Ogdahl	Staples
Ashbach	Gearty	Knoll	Olson	Stokowski
Benedict	Gunderson	Knutson	Penny	Strand
Borden	Hanson	Laufenburger	Peterson	Stumpf
Brataas	Hughes	Luther	Schaaf	Tennessen
Chenoweth	Humphrey	McCutcheon	Sieloff	Ueland, A.
Coleman	Johnson	Merriam	Sikorski	Ulland, J.
Dieterich	Keefe, J.	Moe	Sillers	Vega
Dunn	Keefe, S.	Nelson	Solon	
Engler	Kirchner	Nichols	Spear	

Those who voted in the negative were:

Bernhagen	Lessard	Olhoft	Schmitz	Wegener
Chmielewski	Lewis	Purfeerst	Schrom	Willet
Kleinbaum	Menning	Renneke	Setzepfandt	

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

RECONSIDERATION

Mr. Solon moved that the vote whereby H. F. No. 515 failed to pass the Senate on March 22, 1978, be now reconsidered. The motion prevailed.

H. F. No. 515: A bill for an act relating to telephone companies; prohibiting charges for directory assistance; amending Minnesota Statutes 1976, Chapter 237, by adding a section.

Mr. Solon moved that the amendment placed on H. F. No. 515 by the Committee on Commerce, adopted by the Senate March 13, 1978, and the Borden amendment to H. F. No. 515, adopted by the Senate March 22, 1978, be stricken. The motion prevailed. So the amendments were stricken.

Mr. Penny moved to amend H. F. No. 515 as follows:

Strike everything after the enacting clause and insert:

"Section 1. The legislature directs the public service commission to study the consumer economic benefits of directory assistance charging plans, and to coordinate with the office of consumer affairs to determine and maximize the economic benefits for residential telephone subscribers."

Strike the title and insert:

"A bill for an act relating to telephone companies; providing for a study on directory assistance charging plans."

The motion did not prevail. So the amendment was not adopted.

H. F. No. 515 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 33 and nays 26, as follows:

Those who voted in the affirmative were:

Anderson	Hanson	Lessard	Ogdahl	Staples
Benedict	Hughes	Lewis	Penny	Stumpf
Borden	Humphrey	Luther	Peterson	Ulland, J.
Chmielewski	Johnson	McCutcheon	Setzepfandt	Vega
Coleman	Keefe, S.	Menning	Sikorski	Willet
Dieterich	Knoll	Nelson	Solon	
Gearty	Laufenburger	Nichols	Spear	

Those who voted in the negative were:

Ashbach	Gunderson	Merriam	Schaaf	Strand
Bernhagen	Keefe, J.	Moe	Schmitz	Wegener
Brataas	Kirchner	Olhoft	Schrom	
Dunn	Kleinbaum	Olson	Sieloff	
Engler	Knaak	Purfeerst	Sillers	
Frederick	Knutson	Renneke	Stokowski	

So the bill failed to pass.

RECONSIDERATION

Mr. Solon moved that the vote whereby the adoption of the Conference Committee Report on H. F. No. 2261 was rejected by the Senate on March 23, 1978, be now reconsidered. The motion prevailed.

Mr. Lessard withdrew his motion to reject the Conference Committee Report.

CALL OF THE SENATE

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

Anderson	Gearty	Knutson	Penny	Spear
Benedict	Gunderson	Laufenburger	Peterson	Staples
Bernhagen	Hanson	Lessard	Purfeerst	Stokowski
Borden	Hughes	Luther	Renneke	Strand
Brataas	Humphrey	Menning	Schaaf	Stumpf
Chenoweth	Johnson	Merriam	Schmitz	Tennessee
Chmielewski	Keefe, J.	Moe	Schrom	Vega
Coleman	Keefe, S.	Nelson	Setzepfandt	Wegener
Dieterich	Kirchner	Nichols	Sieloff	Willet
Dunn	Kleinbaum	Ogdahl	Sikorski	
Engler	Knaak	Olhoff	Sillers	
Frederick	Knoll	Olson	Solon	

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

Mr. Humphrey moved that the recommendations and Conference Committee Report on H. F. No. 2261 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H. F. No. 2261: A bill for an act relating to energy; changing the powers of the Minnesota energy agency; implementing certain residential energy efficiency standards; establishing insulation product and application standards; prescribing penalties; providing property tax exemptions for alternative energy systems; providing for solar energy zoning and planning ordinances; requiring the metropolitan council to consider access to sunlight in its land use plans; providing for solar easements; delaying implementation of the state building code; appropriating money; amending Minnesota Statutes 1976, Sections 116H.08; 273.11, Subdivision 1, and by adding a subdivision; 394.25, Subdivision 2; 394.27, Subdivision 7; 462.357, Subdivisions 1 and 6; 462.358, Subdivisions 2 and 6; 462.39, Subdivision 3; 473.05, Subdivision 1; 473.859, Subdivision 2; and Minnesota Statutes, 1977 Supplement, Section 116H.129, Subdivision 1, and by adding subdivisions.

Was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 50 and nays 9, as follows:

Those who voted in the affirmative were:

Anderson	Frederick	Knoll	Ogdahl	Spear
Benedict	Gearty	Knutson	Olhoft	Staples
Bernhagen	Gunderson	Lewis	Penny	Stokowski
Borden	Hanson	Luther	Peterson	Strand
Chenoweth	Hughes	McCutcheon	Schaaf	Stumpf
Chmielewski	Humphrey	Menning	Setzepfandt	Tennessee
Coleman	Johnson	Merriam	Sieloff	Ueland, A.
Dieterich	Keefe, S.	Moe	Sikorski	Ulland, J.
Dunn	Kleinbaum	Nelson	Sillers	Vega
Engler	Knaak	Nichols	Solon	Willet

Those who voted in the negative were:

Ashbach	Laufenburger	Olson	Renneke	Wegener
Brataas	Lessard	Purfeerst	Schrom	

So the bill, as amended by the Conference Committee, was re-passed and its title was agreed to.

MOTIONS AND RESOLUTIONS—CONTINUED

Mr. Frederick moved that H. F. No. 2348 be stricken from the Special Orders Calendar and re-referred to the Committee on Transportation. The motion prevailed.

MEMBERS EXCUSED

Mr. Perpich was excused from the Session of today. Mr. Bang was excused from the Session of today at 11:00 o'clock p.m.

MOTIONS AND RESOLUTIONS—CONTINUED

Mr. Coleman moved that the Senate do now adjourn until 11:00 o'clock a.m., Friday, March 24, 1978. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate