

EIGHTY-THIRD DAY

St. Paul, Minnesota, Thursday, March 20, 1980

The Senate met at 1:00 o'clock p.m. and was called to order by the President.

CALL OF THE SENATE

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

Anderson	Dunn	Knutson	Penny	Stern
Ashbach	Engler	Laufenburger	Perpich	Stokowski
Bang	Frederick	Lessard	Pillsbury	Stumpf
Barrette	Gearty	Luther	Purfeerst	Tennessee
Benedict	Gunderson	McCutcheon	Renneke	Ulland, J.
Bernhagen	Hughes	Menning	Rued	Vega
Brataas	Johnson	Merriam	Schmitz	Wegener
Chmielewski	Keefe, S.	Moe	Setzepfandt	Willet
Coleman	Kirchner	Ogdahl	Sieloff	
Davies	Kleinbaum	Olhoff	Sikorski	
Dieterich	Knaak	Omann	Spear	

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

Prayer was offered by the Chaplain, Rev. Arnold H. Heumann.

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

Anderson	Gearty	Laufenburger	Perpich	Staples
Ashbach	Gunderson	Lessard	Peterson	Stern
Bang	Hanson	Luther	Pillsbury	Stokowski
Barrette	Hughes	McCutcheon	Purfeerst	Strand
Benedict	Humphrey	Menning	Renneke	Stumpf
Bernhagen	Jensen	Merriam	Rued	Tennessee
Brataas	Johnson	Moe	Schaaf	Ulland, A.
Chmielewski	Keefe, J.	Nelson	Schmitz	Ulland, J.
Coleman	Keefe, S.	Nichols	Setzepfandt	Vega
Davies	Kirchner	Ogdahl	Sieloff	Wegener
Dieterich	Kleinbaum	Olhoff	Sikorski	Willet
Dunn	Knaak	Olson	Sillers	
Engler	Knoll	Omann	Solon	
Frederick	Knutson	Penny	Spear	

The President declared a quorum present.

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

EXECUTIVE AND OFFICIAL COMMUNICATIONS

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

February 28, 1980

The Honorable Edward J. Gearty
President of the Senate

Dear Sir:

The following appointments to the Minnesota Higher Education Coordinating Board are hereby respectfully submitted to the Senate for confirmation as required by law:

Robert W. Bonine, 2376 Pagel Road, Mendota Heights, Dakota County, has been appointed by me, effective February 28, 1980, for a term expiring the first Monday in January, 1984.

Richard J. Dunn, 17815 4th Avenue North, Wayzata, Hennepin County, has been appointed by me, effective February 28, 1980, for a term expiring the first Monday in January, 1983.

Carol J. Kamper, 2204 Valkyrie Drive NW, Rochester, Olmsted County, has been appointed by me, effective February 28, 1980, for a term expiring the first Monday in January, 1984.

Hugh G. Madson, 11060 32nd Street North, Lake Elmo, Washington County, has been appointed by me, effective February 28, 1980, for a term expiring the first Monday in January, 1984.

Harding C. Noblitt, 2014 South Fourth Street, Moorhead, Clay County, has been appointed by me, effective February 28, 1980, for a term expiring the first Monday in January, 1981.

Norman F. Tempel, 420 West 9th, Willmar, Kandiyohi County, has been appointed by me, effective February 28, 1980, for a term expiring the first Monday in January, 1983.

(Referred to the Committee on Education)

Sincerely,
Albert H. Quie, Governor

March 18, 1980

The Honorable Fred C. Norton
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 Acts of the 1980 Session of the State Legislature have been received from the Office of the Governor and are 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 1980	Date Filed 1980
	455	355	March 18	March 18
824		356	March 18	March 18
888		357	March 18	March 18
1114		358	March 18	March 18
1438		359	March 18	March 18
1625		360	March 18	March 18

Sincerely,
Joan Anderson Growe,
Secretary of State

March 19, 1980

The Honorable Fred C. Norton
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 Acts of the 1980 Session of the State Legislature have been received from the Office of the Governor and are 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 1980	Date Filed 1980
951		361	March 18	March 19
1010		362	March 18	March 19
1215		363	March 18	March 19

Sincerely,
Joan Anderson Growe,
Secretary of State

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate Files, herewith returned: S. F. Nos. 1273, 1471, 1645, 1646 and 1722.

Edward A. Burdick, Chief Clerk, House of Representatives
Returned March 19, 1980

Mr. President:

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

S. F. No. 1674: A bill for an act relating to labor; exempting seamen from the fair labor standards act; amending Minnesota Statutes, 1979 Supplement, Section 177.23, Subdivision 7.

Senate File No. 1674 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives
Returned March 19, 1980

CONCURRENCE AND REPASSAGE

Mr. Laufenburger moved that the Senate concur in the amendments by the House to S. F. No. 1674 and that the bill be placed on its repassage as amended. The motion prevailed.

S. F. No. 1674 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 57 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Gunderson	Luther	Purfeerst	Stokowski
Bang	Hanson	Menning	Renneke	Strand
Barrette	Hughes	Merriam	Rued	Stumpf
Benedict	Humphrey	Moe	Schmitz	Tennessen
Bernhagen	Jensen	Nelson	Setzepfandt	Ueland, A.
Chmielewski	Johnson	Nichols	Sieloff	Ulland, J.
Coleman	Keefe, S.	Olhoff	Sikorski	Vega
Davies	Kirchner	Omann	Sillers	Wegener
Dieterich	Kleinbaum	Penny	Solon	Willet
Dunn	Knoll	Perpich	Spear	
Engler	Laufenburger	Peterson	Staples	
Gearty	Lessard	Pillsbury	Stern	

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

MESSAGES FROM THE HOUSE—CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 1670 and repassed said bill in accordance with the report of the Committee, so adopted.

S. F. No. 1670: A bill for an act relating to energy; creating a state emergency residential heating grant program; broadening the scope of state weatherization programs; providing a credit for energy conservation expenditures; providing a passthrough of federal energy credits; reimbursing counties; appropriating money; amending Minnesota Statutes 1978, Section 462A.21, by adding a subdivision; and Minnesota Statutes, 1979 Supplement, Sections 268.37; 290.01, Subdivision 20; and 290.06, Subdivision 14.

Senate File No. 1670 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives
Returned March 19, 1980

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H. F. Nos. 2082, 2185 and 1812.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 19, 1980

FIRST READING OF HOUSE BILLS

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

H. F. No. 2082: A bill for an act relating to elections; providing for special elections to fill vacancies in statutory city offices; amending Minnesota Statutes 1978, Sections 205.10; 205.17, Subdivision 1; and 412.02, Subdivision 2, and by adding a subdivision.

Referred to the Committee on Rules and Administration for comparison with S. F. No. 2138 now on General Orders.

H. F. No. 2185: A bill for an act relating to the Knife Lake Improvement District in Kanabec County; authorizing Kanabec County to finance the cost of a certain improvement within the district.

Referred to the Committee on Rules and Administration for comparison with S. F. No. 2137 now on General Orders.

H. F. No. 1812: A bill for an act relating to drivers licenses; requiring certain applicants for drivers' licenses, instruction permits and Minnesota identification cards to submit certified copies of their birth certificates; providing that certain application forms include a place for applicants to indicate their desire to make an anatomical gift; requiring persons outside the metropolitan area who are authorized to accept drivers license and renewal applications and applications for Minnesota identification cards to inquire of applicants whether they desire to make an anatomical gift; requiring only one witness to a donor's signature; providing for a study; amending Minnesota Statutes 1978, Sections 171.06, Subdivision 3, and by adding a subdivision; and 171.07, Subdivisions 3 and 5.

Referred to the Committee on General Legislation and Administrative Rules.

REPORTS OF COMMITTEES

Mr. Coleman moved that the Committee Reports at the Desk be now adopted, with the exception of the reports on S. F. No. 1668 and H. F. No. 102. The motion prevailed.

Mr. Schaaf from the Committee on Governmental Operations, to which was referred

S. F. No. 1693: A bill for an act relating to retirement; financing

and amounts of pensions for volunteer firefighters; amending Minnesota Statutes, 1979 Supplement, Sections 69.772, Subdivision 2a; and 424A.02, Subdivisions 3, 7, 9, and by adding a subdivision.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes, 1979 Supplement, Section 424A.02 is amended by adding a subdivision to read:

Subd. 9a. [POST RETIREMENT INCREASES.] Notwithstanding any provision of general or special law to the contrary, a relief association may, from time to time, with municipal approval pursuant to subdivision 10 and section 69.772, subdivision 6, or section 69.773, subdivision 6, whichever is applicable, provide a post retirement increase to retired members and other retirement benefit recipients of the relief association. The post retirement increase may only be granted pursuant to an amendment to the bylaws of the relief association and shall be applicable only to retired members and other retirement benefit recipients receiving a service pension or retirement benefit as of the effective date of the bylaw amendment. The authority to provide a post retirement increase to retired members and other retirement benefit recipients of a relief association contained in this subdivision shall supersede any prior special law authorization relating to the provision of post retirement increases.

Sec. 2. [HIBBING; AUTHORIZATION FOR SEPARATE RELIEF ASSOCIATIONS FOR SALARIED AND VOLUNTEER FIREFIGHTERS.] *Notwithstanding any provisions of any law to the contrary, the city of Hibbing may establish and maintain or continue to maintain two separate relief associations for firefighters employed by or serving with the Hibbing municipal fire department. One relief association shall provide retirement benefit coverage for regular salaried firefighters employed by the Hibbing municipal fire department and the other relief association shall provide retirement benefit coverage for volunteer firefighters serving with the Hibbing municipal fire department. Any fire state aid amounts received by the city of Hibbing pursuant to Minnesota Statutes, Sections 69.011 to 69.051, shall be allocated proportionately between the two relief associations on the basis of the assessed property value, excluding mineral values, and the population pursuant to the most recent federal census, of the areas which are predominantly served by the members of each relief association, as determined by the governing body of the city of Hibbing.*

Sec. 3. [RESTRICTION ON VOLUNTEER FIREFIGHTERS RELIEF ASSOCIATION MEMBERSHIP FOR CERTAIN PERSONS.] *No person who is employed by the city of Hibbing as a regular salaried firefighter, and who is a member of the Hibbing salaried firefighters relief association to which Minnesota Statutes, Section 69.77, applies, shall be entitled while so employed after the effective date of this act to be a member of or to accrue any service credit in the relief association which provides retirement benefit*

coverage for volunteer firefighters serving with the Hibbing municipal fire department and to which Minnesota Statutes, Sections 69.771 to 69.776, apply.

Sec. 4. [PROPORTIONATE SERVICE PENSION IN CERTAIN CASES.] *Any person who is prohibited from further membership in or from accruing further service credit in the volunteer firefighters' relief association which is established or maintained by the city of Hibbing and to which Minnesota Statutes, Sections 69.771 to 69.776 apply and who has not as of the effective date of this act received credit for sufficient years of service with the Hibbing municipal fire department or membership with the Hibbing volunteer firefighters' relief association to be entitled to a service pension without the benefit of this section shall be entitled when otherwise qualified to receive a proportionate service pension based on the number of completed years of service rounded to the nearest full years of service.*

Sec. 5. *Notwithstanding any general or specific law to the contrary, retirement benefits payable to retired police officers and firefighters by the Eveleth police and fire trust fund may be increased by \$50 per month. Survivor benefits payable to a surviving spouse or surviving dependent child may be increased by \$25 per month. Increases shall be retroactive to January 1, 1980.*

Sec. 6. Minnesota Statutes, 1979 Supplement, Section 424A.04, is amended to read:

424A.04 [VOLUNTEER RELIEF ASSOCIATIONS; BOARD OF TRUSTEES.] Every volunteer firefighters' relief association shall be managed by a board of trustees consisting of nine members. Six trustees shall be elected from the membership of the relief association and three trustees shall be drawn from the officials of the municipality which has a fire department to which the relief association is directly associated or the municipality which contracts or the municipalities which contract with the independent nonprofit firefighting corporation of which the relief association is a subsidiary. *The bylaws of a volunteer firefighters' association may provide that one of the six trustees required to be elected from the membership of the relief association may be a retired member of the relief association receiving a monthly pension elected by the membership of the fire department.* The ex officio trustees, if the relief association is directly associated with the fire department of a municipality, shall be the mayor, the clerk or clerk-treasurer, and the chief of the municipal fire department. The ex officio trustees, if the relief association is a subsidiary of an independent nonprofit firefighting relief corporation, shall be three elected officials of the contracting municipality designated by the governing body of the municipality if only one municipality contracts with the independent nonprofit firefighting corporation, two elected officials of the largest municipality in population and one elected official of the next largest municipality in population designated by the governing bodies of the applicable municipalities if two municipalities contract with the independent nonprofit firefighting corporation, or one elected

official of each of the three largest municipalities in population designated by the governing bodies of the applicable municipalities if three or more municipalities contract with the independent nonprofit firefighting corporation. An ex officio trustee shall have all of the rights and duties accorded to any other trustee except the right to be an officer of the board of trustees. A board shall have at least three officers, which shall be a president, a secretary and a treasurer. These officers shall be elected from among the elected trustees by either the full board of trustees or by the membership, as specified in the bylaws, and in no event shall any trustee hold more than one officer position at any one time. The terms of the elected trustees and of the officers of the board shall be specified in the bylaws of the relief association but shall not exceed three years. If the term of the elected trustees exceeds one year, the election of the various trustees elected from the membership shall initially and shall thereafter continue to be staggered on as equal a basis as is practicable.

It shall be the duty of the board of trustees to faithfully administer any provisions of statute or special law applicable to the relief association without prejudice and consistent with the expressed intent of the legislature. The members of the board shall act as trustees with a fiduciary obligation to the state of Minnesota which authorized the creation of the relief association, the taxpayers who aid in its financing and the firefighters who are its beneficiaries.

Sec. 7. Any volunteer firefighters' relief association which had prior special legislative authorization to grant a post retirement increase and which approved a post retirement increase prior to the effective date of Laws 1979, Chapter 201, may grant the post retirement increase, pursuant to section 1 of this act, effective retroactively to January 1, 1980.

Sec. 8. [EFFECTIVE DATE.] Sections 1, 2 and 3 are effective on the day following final enactment. Sections 4, 5 and 6 are effective on the date of compliance with Minnesota Statutes, Section 645.021, Subdivision 3."

Delete the title and insert:

"A bill for an act relating to retirement; volunteer firefighters relief associations; authorizing the provision of post retirement increases to retired volunteer firefighters; authorizing the city of Hibbing to establish or maintain separate relief associations for salaried and volunteer firefighters; restriction on volunteer firefighters relief association membership for certain persons; providing a proportionate service pension in certain cases; increasing benefits under Eveleth police and fire trust fund; authorizing retroactive post retirement increases in certain cases; providing for membership of a retired member on a relief association board of trustees; amending Minnesota Statutes, 1979 Supplement, Sections 424A.02, by adding a subdivision; and 424A.04."

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

Mr. Perpich from the Committee on Health, Welfare and Corrections, to which was referred

S. F. No. 1944: A bill for an act relating to local correctional facilities; updating provisions concerning county jails, city lockups and workhouses; repealing provisions concerning correctional or work farms; amending Minnesota Statutes 1978, Sections 241.022, Subdivision 1; 243.91; 588.10; 609.105, Subdivision 3; 609.135, Subdivision 4; 631.461; 641.01; 641.04; 641.06; 641.14; 641.15; 641.16; 641.18; 641.21; 641.22; 642.02, Subdivision 2; 642.03; 642.07; 643.01; 643.02; and 643.29; repealing Minnesota Statutes 1978, Sections 641.17; 641.27; 641.28; 641.29; 641.30; 641.31; 641.32; 641.33; 641.34; 641.35; 641.36; 641.37; 641.38; 642.14; 643.03; 643.04; 643.05; 643.06; 643.07; 643.08; 643.09; 643.10; 643.11; 643.12; 643.13; 643.14; 643.15; 643.16; 643.17; 643.19; and 643.20.

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

Page 3, after line 11, insert:

"Sec. 3. Minnesota Statutes 1978, Section 401.02, Subdivision 3, is amended to read:

Subd. 3. [ESTABLISHMENT AND REORGANIZATION OF ADMINISTRATIVE STRUCTURE.] Any county or group of counties which have qualified for participation in the community corrections subsidy program provided by this chapter may, *after consultation with the judges of the district court, county court, municipal court, probate court and juvenile court having jurisdiction in the county or group of counties, establish, organize, and reorganize its an administrative structure, including but not limited to and provide for the budgeting, staffing and operation of court services and probation, juvenile detention and juvenile correctional facilities, and other activities required to conform with to the requirements purposes of subdivision 1 notwithstanding any inconsistent special law this chapter. No contrary general or special statute divests any county or group of counties of the authority granted by this subdivision.*"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 7, after "243.91;" insert "401.02, Subdivision 3;"

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

Mr. Tennesen from the Committee on Commerce, to which was referred

H. F. No. 1302: A bill for an act relating to financial institutions; permitting banks and trust companies to take junior liens under certain circumstances; amending Minnesota Statutes 1978, Section 48.19, Subdivision 1.

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

Page 2, after line 20, insert:

"Sec. 2. Minnesota Statutes 1978, Section 50.14, Subdivision 5, is amended to read:

Subd. 5. (1) Class four shall be:

(a) Notes or bonds secured by mortgages or trust deeds on unencumbered real estate, whether in fee or in a leasehold of a duration not less than ten years beyond the maturity of the loan, in any state of the United States, worth at least twice the amount loaned thereon;

(b) Notes or bonds secured by mortgages or trust deeds on unencumbered real estate in clause (1) (a) where ~~such~~ *the* notes or bonds do not exceed 80 percent of the appraised value of the security for the same, provided that ~~such~~ *the* notes or bonds are payable in instalments aggregating not less than five percent of the original principal ~~per annum a year~~ in addition to the interest; or, are payable on a regular amortization basis in equal instalments, including principal and interest, ~~such~~ *these* instalments to be payable monthly in ~~such~~ amounts that the debt will be fully paid in not to exceed 30 years if the security is non-agricultural real estate, and ~~such~~ *these* instalments to be payable annually or semi-annually in ~~such~~ amounts that the debt will be fully paid in not to exceed 25 years if the security is agricultural real estate. A construction loan ~~shall be~~ is deemed amortized as required by this clause if the first instalment thereon ~~shall be~~ is payable not later than 18 months after the date of the first advance in the case of residential construction or not later than 36 months after the date of the first advance in the case of nonresidential construction; and

(c) Notes or bonds secured by mortgages or trust deeds on unencumbered real estate in clause (1) (a) which are in an original principal amount of \$100,000 or more and which do not exceed 95 percent of the appraised value of the security for the same which may be payable in ~~such~~ *the* manner as the trustees of the bank shall prescribe, provided that construction loans made by a savings bank pursuant to this clause (1) (c) ~~shall do not~~ exceed in the aggregate five percent of the assets of the savings bank.

(2) Class four investments shall be made only on report of a committee directed to investigate the same and report its value, according to the judgment of its members, and its report shall be preserved among the bank's records.

(3) Notwithstanding anything to the contrary in clause (1) (b), a mutual savings bank organized under the laws of this state may invest in notes or bonds secured by mortgages or trust deed where ~~such~~ *the* notes or bonds do not exceed 95 percent of the appraised value of the security for the same. Except as modified herein, the other provisions of clause (1) (b) ~~shall~~ apply.

(4) For purposes of this subdivision, real estate ~~shall be~~ is

deemed unencumbered if the only existing mortgage or lien against the real estate is a first mortgage lien in favor of the savings bank making a second mortgage loan or if the total unpaid aggregate of all outstanding liens against the same real estate does not exceed 80 percent of its appraised value.

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

Amend the title as follows:

Page 1, line 3, delete "and" and insert a comma

Page 1, line 3, after "companies" insert "and mutual savings banks"

Page 1, line 5, delete "Section" and insert "Sections"

Page 1, line 5, after "Subdivision 1" insert "; and 50.14, Subdivision 5"

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

Mr. Tennesen from the Committee on Commerce, to which was referred

H. F. No. 1145: A bill for an act relating to banks and banking; providing for implementation of certain statutes relating to electronic fund transfers; authorizing the commissioner of banks to adopt temporary rules; amending Minnesota Statutes 1978, Section 47.71.

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

Page 1, after line 17, insert:

"Sec. 2. Minnesota Statutes 1978, Section 385.07, is amended to read:

385.07 [FUNDS, WHERE DEPOSITED OR INVESTED.] All county funds shall be deposited promptly and intact by the county treasurer in the name of the county or invested as provided in sections 471.56 and 475.66. Interest and profits which accrue from such investment shall, when collected, be credited to the general revenue fund of the county. *Where the county is authorized by law to make investments, persons designated by the board may, in accordance with rules and procedures established by the board, make electronic or wire transfers of funds, notwithstanding any other law to the contrary.*"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after "banking" insert "and electronic fund transfers"

Page 1, line 5, after the semicolon, insert "permitting counties to make electronic fund transfers;"

Page 1, line 6, delete "Section" and insert "Sections"

Page 1, line 6, before the period, insert "; and 385.07"

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

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

H. F. No. 1895: A bill for an act relating to human rights; further defining certain unfair discriminatory practices related to reprisals; defining the scope of a class for class action suits; increasing a penalty by increasing allowable punitive damages; amending Minnesota Statutes 1978, Sections 363.03, Subdivision 7; 363.071, Subdivision 2; and Minnesota Statutes, 1979 Supplement, Section 363.06, Subdivision 4.

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

Mr. Perpich from the Committee on Health, Welfare and Corrections, to which was referred

H. F. No. 475: A bill for an act relating to hospitals; requiring adoption of federal medicare standards for hospital licensing; regulating hospital inspections; providing for licensing of hospitals accredited by the joint commission on hospital accreditation; amending Minnesota Statutes 1978, Sections 144.55; and 144.50, Subdivision 1.

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

Page 1, line 24, delete the new language

Page 2, delete lines 1 to 5

Page 2, line 12, after "as" delete "the"

Page 2, line 12, delete "certification" and insert "*hospital certification regulations promulgated pursuant to Title XVIII of the Social Security Act, 42 U.S.C., Section 1395, et. seq.*"

Page 2, delete lines 13 to 15

Page 2, line 16, delete "construction."

Page 2, line 17, after "Federal" insert "Hospital Certification"

Page 2, line 17, after "Regulations" insert "promulgated"

Page 2, line 18, delete "September 1978" and insert "*the effective date of this section*"

Page 2, line 19, delete "for" and insert "to protect the"

Page 2, line 19, after the period, insert "*Further, the commissioner shall promulgate in rule additional minimum standards for new construction.*"

Page 2, line 31, after "or" insert "accreditation"

Page 3, line 12, after the period, insert "*The commissioner shall also conduct any inspection necessary to determine whether hospital construction, addition or remodeling projects comply with standards for construction promulgated in rule pursuant to subdivision 3.*"

Page 3, line 13, delete "annually" and insert ", pursuant to section 144.653,"

Page 3, line 20, after "conducting" delete "a" and after "of" delete "a"

Page 3, line 20, delete "inspection" and insert "inspections"

Page 3, line 20, delete "hospital" and insert "hospitals"

Page 3, line 28, delete "shall" and insert "may"

Page 4, line 29, delete everything after the period and insert "*At each such hearing, the commissioner shall have the burden of establishing that a violation described in subdivision 6 has occurred.*"

Page 4, delete lines 30 to 33

Page 5, delete lines 1 and 2

Page 5, line 17, delete "stated" and insert "described"

Page 5, line 18, delete "2" and insert "3"

Page 5, line 18, delete "rules" and insert "minimum quality standards"

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

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

H. F. No. 102: A bill for an act relating to children; changing liability of parents for damage done by their minor children; amending Minnesota Statutes 1978, Section 540.18, Subdivision 1.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes, 1979 Supplement, Section 609.223, is amended to read:

609.223 [ASSAULT IN THE THIRD DEGREE.] Whoever ~~assaults another and inflicts substantial bodily harm~~ *does any of the following* may be sentenced to imprisonment for not more than three years or to payment of a fine of not more than \$3,000, or both:

(1) *Assaults another and inflicts substantial bodily harm; or*

(2) Commits an act which would constitute criminal sexual conduct in the first, second or third degree but for the application of section 609.349.

Sec. 2. This act is effective June 1, 1980, and applies to all crimes committed on or after that date."

Amend the title as follows:

Page 1, line 2, delete "children; changing liability of" and insert "crimes; further specifying the crime of assault in the third degree;"

Page 1, delete line 3

Page 1, line 4, delete "1978" and insert ", 1979 supplement"

Page 1, line 4, delete "540.18," and insert "609.223."

Page 1, delete line 5

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

Mr. Schaaf from the Committee on Governmental Operations, to which was referred

S. F. No. 1607: A bill for an act relating to state government; recodifying the laws governing the state board of investment; providing for the appointment of an executive director and detailing his duties and powers; defining terms; establishing standards for the investment of state and pension assets; repealing Minnesota Statutes 1978, Sections 11.01 to 11.115; 11.117, Subdivisions 1, 2, 3, 5, and 7; 11.12 to 11.14; 11.15 to 11.28; and Minnesota Statutes, 1979 Supplement, Sections 11.117, Subdivisions 4 and 6; 11.118; and 11.145.

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

Delete everything after the enacting clause and insert:

Section 1. [11A.01] [STATEMENT OF PURPOSE.] *The purpose of sections 1 to 23 is to establish standards which will insure that state and pension assets subject to this legislation will be responsibly invested to maximize the total rate of return without incurring undue risk.*

Sec. 2. [11A.02] [DEFINITIONS.] *Subdivision 1. For the purposes of sections 1 to 23, the terms defined in this section shall have the meanings given them.*

Subd. 2. "State board" means the Minnesota state board of investment created by Article XI, Section 8, of the constitution of the state of Minnesota for the purpose of administering and directing the investment of all state funds and pension funds.

Subd. 3. "Council" means the investment advisory council created by section 6.

Subd. 4. "Fund" means any of the individual funds, including but not limited to the permanent school fund, general fund of the state, retirement funds and other funds and accounts for which the state board has responsibilities.

Subd. 5. "Director" means the executive director of the state board.

Subd. 6. "Management" means the performance or delegation of general management duties relating to any fund established pursuant to this chapter.

Sec. 3. [11A.03] [STATE BOARD; MEMBERSHIP; ORGANIZATION.] *Pursuant to Article XI, Section 8, of the constitution of the state of Minnesota, the state board shall be composed of the governor, state auditor, state treasurer, secretary of state and attorney general. The governor shall serve as ex officio chairman of the state board.*

Sec. 4. [11A.04] [DUTIES AND POWERS.] *The state board shall:*

(1) Act as trustees for each fund for which it invests or manages moneys in accordance with the standard of care set forth in section 7.

(2) Formulate policies and procedures deemed necessary and appropriate to carry out its functions. Procedures adopted by the board shall allow fund beneficiaries and members of the public to become informed of proposed board actions. Procedures and policies of the board shall not be subject to the administrative procedure act.

(3) Employ an executive director as provided in section 5.

(4) Employ investment advisors and consultants as it deems necessary.

(5) Prescribe policies concerning personal investments of all employees of the board to prevent conflicts of interest.

(6) Maintain a record of its proceedings.

(7) As it deems necessary, establish advisory committees subject to the provisions of Minnesota Statutes, Section 15.059, to assist the board in carrying out its duties.

(8) Not permit state funds to be used for the underwriting or direct purchase of municipal securities from the issuer or his agent.

(9) Direct the state treasurer to sell property other than money which has escheated to the state when the board determines that sale of the property is in the best interest of the state. Escheated property shall be sold to the highest bidder in the manner and upon terms and conditions prescribed by the board.

(10) Undertake any other activities necessary to implement the duties and powers set forth in this section.

(11) Establish a formula or formulas to measure management

performance and return on investment. All public pension funds in the state shall utilize the formula or formulas developed by the state board.

Sec. 5. [11A.07] [EXECUTIVE DIRECTOR.] *Subdivision 1. [SELECTION.] The state board shall select an executive director.*

Subd. 2. [QUALIFICATIONS.] The director of the state board shall be well qualified by training to administer and invest the money available for investment and possess experience in the management of institutional investment portfolios. The director shall be in the unclassified state service and serve at the pleasure of the state board.

Subd. 3. [CONFIRMATION.] The employment of the director shall be subject to the advice and consent of the senate in the same manner as the appointment of executive officers is confirmed by the senate.

Subd. 4. [DUTIES AND POWERS.] The director, at the direction of the state board, shall:

(1) Plan, direct, coordinate and execute administrative and investment functions in conformity with the policies and directives of the state board.

(2) Employ such professional and clerical staff as is necessary within the complement limits established by the legislature. These employees shall be in the unclassified service of the state.

(3) Report to the state board on all operations under his control and supervision.

(4) Maintain accurate and complete records of securities transactions and official activities.

(5) Purchase and sell all securities on the basis of competitive offerings or bids received from at least two firms known to specialize in the securities being traded and likely to position these securities in relevant quantities. Competitive bidding shall not be required when the securities to be traded are: listed or traded on a major United States exchange, bound by underwriting restrictions or classified as private placements and offered only to a limited number of institutional investors.

(6) Cause all securities acquired to be kept in the custody of the state treasurer or such other depositories as the state board deems appropriate.

(7) Prepare and file with the director of the legislative reference library, on or before November 15 of each year, a report summarizing the activities of the state board, the council and the director during the preceding fiscal year. The report shall be prepared so as to provide the legislature and the people of the state with a clear, comprehensive summary of the portfolio composition, the transactions, the total annual rate of return and the yield to the state treasury and to each of the funds whose assets are invested by the state board, and the recipients of business placed or commissions allocated among the various commercial banks, investment bankers and brokerage organizations.

(8) *Require state officials from any department or agency to produce and provide access to any financial documents the state board deems necessary in the conduct of their investment activities.*

(9) *Receive and expend legislative appropriations.*

(10) *Undertake any other activities necessary to implement the duties and powers set forth in this subdivision.*

Sec. 6. [11A.08] [INVESTMENT ADVISORY COUNCIL.]
Subdivision 1. [MEMBERSHIP.] *There is created an investment advisory council consisting of ten members who are experienced in general investment matters and who shall be appointed by the state board.*

Subd. 2. [DUTIES AND POWERS.] *The council shall:*

(1) *Advise the state board and the director on general policy matters relating to investments;*

(2) *Advise the state board and the director on methods to improve the rate of return on invested money while insuring adequate security for that money;*

(3) *Advise the state board and the director on the form and content of the report required by section 5, subdivision 4, clause (7), so that the report clearly and objectively discloses the investment activities of the state board and the director;*

(4) *Perform other tasks of an advisory nature as requested by the state board.*

Subd. 3. [OFFICERS; MEETINGS.] *The council shall annually elect a chairman and vice chairman from among its members, and may elect other officers as necessary. The council shall meet at least every other month and upon the call of the chairman of the council or the chairman of the state board.*

Subd. 4. [TERMS; COMPENSATION; REMOVAL; VACANCIES.] *The membership terms, compensation and removal of members appointed by the state board, and filling of vacancies of such members shall be as provided in Minnesota Statutes, Section 15.059 except that council members shall not receive a per diem.*

Subd. 5. [LIABILITY; INDEMNIFICATION.] *A member of the council shall be indemnified and held harmless by the state for any reasonable costs or expenses incurred as a result of any actual or threatened litigation or administrative proceedings arising out of the performance of the member's duties, except an action brought by the state or agency thereof arising from the failure of a council member to perform duties in the manner prescribed in section 7.*

Subd. 6. [CONFLICT OF INTEREST; ECONOMIC INTEREST STATEMENT.] *No member of the council may participate in deliberations or vote on any matter before the council which will or is likely to result in direct, measurable economic*

gain to the member. Additionally, no member of the council appointed by the state board may participate in deliberations or vote on any matter before the council which will or is likely to result in direct, measurable economic gain to his employer. Members of the council shall file with the board of ethical practices an economic interest statement in a manner as prescribed by Minnesota Statutes, Section 10A.09, Subdivisions 5 and 6.

Sec. 7. [11A.09] [STANDARD OF CARE.] *In the discharge of their respective duties, the members of the state board, director, board staff, members of the council and any other person charged with the responsibility of investing money pursuant to the standards set forth in sections 1 to 23 shall act in good faith and shall exercise that degree of judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived therefrom.*

Sec. 8. [11A.10] [DUTIES OF OTHER OFFICIALS.] Subdivision 1. [CUSTODY OF SECURITIES.] *The state treasurer and other custodians of securities belonging to the various funds shall provide in the appropriate cases the state board and its delegates with reasonable access thereto. Each security shall be held as an asset of the fund from which the investment expenditure was made.*

Subd. 2. [ESCHEATED PROPERTY.] *The commissioner of finance shall report immediately to the state board all personal property other than money received by the state of Minnesota as escheated property. If the state board elects to sell escheated property, all moneys received from the sale shall be credited to the general fund of the state.*

Subd. 3. [AUDITS.] *State audits of the activities of the state board and its delegates shall be conducted by the legislative auditor.*

Subd. 4. [OFFICE SPACE.] *The commissioner of administration shall provide the director and staff with suitable office and storage space in the state capitol complex as near as practicable to the office of the state treasurer.*

Sec. 9. [11A.11] [INVESTMENT AND EXPENSE APPROPRIATION.] *There is appropriated to the state board annually, and from time to time, the various moneys as are available for investment in the various funds subject to their supervision and control, for the purposes of the purchase, sale, exchange and lending of securities, reinvestment activities, payment of the execution expenses of securities transactions, amortization of premiums or accumulation of discounts, and contribution and redemption of participation in the funds.*

Sec. 10. [11A.12] [GAINS AND LOSSES; DISPOSITION.] *All interest and profit accruing from and all losses incurred by investment activity shall be credited to or borne by the fund from which the investment was made.*

Sec. 11. [11A.13] [ASSETS AND DOCUMENTATION.] *Subdivision 1. [LEGAL TITLE TO FUND ASSETS.] Legal title to the assets of state funds to be invested by the state board shall be in the state of Minnesota, or its nominees. Legal title to pension funds to be invested by the state board shall be in the state board, or its nominees, as trustees for any person having a beneficial interest in the applicable fund subject to the rights of the particular funds maintaining shares, investment participation or units in the accounts to their credit.*

Subd. 2. [RIGHTS OF EMPLOYEES; VALIDITY OF DOCUMENTATION.] The rights of any public employee to any assets in the retirement funds shall be as fixed by the law or laws authorizing or requiring a retirement fund to purchase or order the redemption of investment participations or units on behalf of the public employee. The state board may rely on the documents, forms and applications of the various retirement funds which accompany money for investment or orders to redeem assets as being made in concert with the applicable law and with the rights of the public employees concerned. Accordingly, the state board need not inquire into the legality or validity of any documents, forms and applications.

Sec. 12. [11A.14] [MINNESOTA COMBINED INVESTMENT FUND.] *Subdivision 1. [ESTABLISHMENT.] There is hereby established a Minnesota combined investment fund for the purpose of providing an investment vehicle for assets of the participating funds. The combined fund shall consist of the following investment accounts: a cash management account and an equity account.*

Subd. 2. [ASSETS.] The assets of the combined investment fund shall consist of the moneys certified to and received by the state board from participating retirement plans and funds which shall be used to purchase investment shares in the appropriate investment accounts. Each participating fund shall own an undivided participation in all the assets of the combined fund. As of any date, the total claim of a participating fund on the assets in each account shall be equal to the ratio of units owned by a fund in each account to the total issued units then outstanding.

Subd. 3. [MANAGEMENT.] The combined investment fund shall be managed by the state board.

Subd. 4. [INVESTMENTS.] The assets of the combined investment fund shall be invested by the state board subject to the provisions of section 22 with the following exceptions:

(a) The cash management account shall be invested in fixed-income obligations with maturities of less than three years.

(b) The equity account may be completely invested in corporate stocks.

Subd. 5. [PARTICIPATING PUBLIC RETIREMENT PLANS OR FUNDS.] The following public retirement plans and

funds shall participate in the Minnesota combined investment fund:

(1) State employees retirement fund established pursuant to Minnesota Statutes, Chapter 352;

(2) Correctional employees retirement plan established pursuant to Minnesota Statutes, Chapter 352;

(3) Highway patrol retirement fund established pursuant to Minnesota Statutes, Chapter 352B;

(4) Public employees retirement fund established pursuant to Minnesota Statutes, Chapter 353;

(5) Public employees police and fire fund established pursuant to Minnesota Statutes, Chapter 353;

(6) Teachers retirement fund established pursuant to Minnesota Statutes, Chapter 354;

(7) Judges retirement fund established pursuant to Minnesota Statutes, Chapter 490; and

(8) Any other fund required by law to participate.

Subd. 6. [INITIAL TRANSFER OF ASSETS.] As of July 1, 1980, or a later date as determined by the state board, the participating funds shall transfer to the combined investment fund all appropriate securities then held together with cash necessary for the purchase of even units in the combined fund accounts.

Subd. 7. [INITIAL VALUATION OF ASSETS AND UNITS.] All assets transferred to the Minnesota combined investment fund shall be valued at their current market value as determined by the state board, including accrued interest. The initial value of each account unit shall be \$1,000 with each participating fund allocated units in the various accounts of the Minnesota combined investment fund in the same proportion as their assets are to the total assets in each account.

Subd. 8. [UNREALIZED APPRECIATION (DEPRECIATION) ACCOUNT.] Any unrealized gains or losses in the value of investments incurred by a transferring fund shall be recorded in an unrealized appreciation (depreciation) account which is hereby created. Any future unrealized gains or losses shall also be recorded in this account at the close of each fiscal year.

Subd. 9. [VALUATION OF UNITS.] (1) Valuation of units for the equity account in the Minnesota combined investment fund shall be performed as of the last business day of each month, or more frequently should the state board determine that additional valuation dates are necessary. Valuation of units for the cash management account in the Minnesota combined investment fund shall be performed daily for every business day.

(2) The value of a unit for each account shall be determined by the following procedure:

(a) *As of the close of business on the valuation date the state board shall determine the fair market value of each asset in each account, using the references, pricing services, consultants, or other methods as the state board deems appropriate.*

(b) *The sum total of the market value of all securities plus cash, less the value of undistributed income in each account, shall be divided by the number of units issued and outstanding for the account to determine the value per account unit.*

Subd. 10. [PURCHASE AND REDEMPTION OF UNITS.] *Purchase and redemption of units shall be on the first business day following the valuation date. All transactions shall be at the unit value as established on the immediately preceding valuation date. Except for the initial purchase of units by an authorized participant, all purchases and redemptions shall be made in cash unless the state board determines that an exception is necessary.*

Subd. 11. [EARNINGS DEFINED.] *Investment earnings shall be the sum total of the following of each account:*

(1) *Dividends receivable on securities trading ex-dividend up to and including the valuation date.*

(2) *Cash dividends received to and including the valuation date that were not accounted for on a previous valuation date.*

(3) *Accrued interest to and including the valuation date.*

(4) *Interest received which had not been accrued and accounted for on a prior valuation date.*

(5) *Income from the sale of options, rights, warrants, or security lending.*

(6) *Other income received to and including the valuation date.*

Subd. 12. [DISTRIBUTION OF EARNINGS.] *At least once each month the state board shall distribute to each participant net earnings determined proportionately in accordance with their average unit holdings in each account during the period. Unless otherwise directed by the participating fund, any distributions shall be used to purchase additional units in the accounts.*

Subd. 13. [RECORDS REQUIRED.] *The executive director of the state board shall keep accounting records. The records shall reflect the number of units in the Minnesota combined investment fund owned by each participating fund. No certificates or other evidence of ownership shall be required.*

Subd. 14. [REPORTS REQUIRED.] *As of each valuation date, or as often as the state board determines, each participant shall be informed of the number of units owned and the current value of the units. Annually, the state board shall provide to each participant, financial statements prepared in accordance with generally accepted accounting principles.*

Sec. 13. [11A.15] [STATE BOND FUND.] *Subdivision 1. [ESTABLISHMENT.] Pursuant to Article XI, Section 7, of the*

constitution of the state of Minnesota, there is hereby established a state bond fund for the purpose of the timely payment of principal and interest on bonds for which the full faith and credit of the state has been pledged. The state bond fund shall be a continuation of the state bond fund in existence on January 1, 1980.

Subd. 2. [ASSETS.] Any money appropriated to the state bond fund, any income arising from the invested assets of the state bond fund which is not immediately required to pay the principal or interest on state bonds and any proceeds arising from the sale of any securities in the state bond fund shall constitute the assets of the state bond fund.

Subd. 3. [MANAGEMENT.] The state bond fund shall be managed by the state treasurer who shall, from time to time, certify to the state board those portions of the state bond fund which in the judgment of the state treasurer are not required for immediate use.

Subd. 4. [INVESTMENT.] The state board shall invest assets of the state bond fund subject to the provisions of section 23.

Subd. 5. [WITHDRAWAL OF ASSETS.] Securities sufficient to equal the amount of money certified by the state treasurer as necessary to pay the principal or interest due on state bonds in excess of any cash on hand shall be sold at the request of the state treasurer and the certified amount of money shall be transferred to the state treasurer.

Subd. 6. [CREDIT OF INCOME TOWARDS SUBSEQUENT APPROPRIATIONS.] Notwithstanding provisions of section 10, the net income of the state bond fund after the recovery of any losses from the sale of securities shall be deducted from the amount of any subsequent appropriations for the payment of principal and interest of state bonds.

Sec. 14. [11A.16] [PERMANENT SCHOOL FUND.] Subdivision 1. [ESTABLISHMENT.] Pursuant to Article XI, Section 8, of the constitution of the state of Minnesota, there is hereby established a permanent school fund which shall be a continuation of the permanent school fund in existence on January 1, 1980.

Subd. 2. [ASSETS.] The permanent school fund shall consist of the proceeds derived from the school lands, the swamp lands and the internal improvement lands granted to the state and all cash and investments credited to the permanent school fund, to the swamp land fund and to the internal improvement land fund.

Subd. 3. [MANAGEMENT.] The permanent school fund shall be managed by the commissioner of finance.

Subd. 4. [INVESTMENT.] The permanent school fund shall be invested by the state board in the following securities as directed by Article XI, Section 8 of the constitution of the state of Minnesota:

(a) Interest bearing fixed income securities of the United States and its agencies, including securities fully guaranteed by the

United States, bonds of Minnesota or its political subdivisions or agencies, or of other states but not more than 50 percent of any issue by a political subdivision;

(b) Stocks of corporations with cash dividends paid from earnings for the five consecutive years prior to purchase, but not more than 20 percent of the fund shall be invested therein nor more than one percent in stock of any one corporation, nor more than five percent of the voting stock of any one corporation shall be owned;

(c) Bonds of corporations whose earnings have been at least three times the interest requirements on outstanding bonds for five consecutive years or longer immediately prior to purchase, but not more than 40 percent of the fund shall be so invested;

(d) The percentages referred to above shall be computed using the cost price of the stocks or bonds.

Subd. 5. [CALCULATION OF INCOME.] *As of the end of each fiscal year, the state board shall calculate the investment income earned by the permanent school fund. The investment income earned by the fund shall equal the amount of interest on debt securities and dividends on equity securities. If the sale of securities results in a net loss during a fiscal year, the net loss shall be recovered from interest and dividend income in equal installments over a period equal to (a) the average period prior to maturity remaining on the debt securities which were sold if the sale of debt securities resulted in the loss, or (b) over a period of five years if the sale of equity securities resulted in the loss unless there is a net gain in the sale of securities sufficient to eliminate the amount of the loss prior to the end of the period. In any fiscal year in which gains on the sale of securities exceed the losses on the sales of securities, the excess shall be added to the principal of the fund.*

Subd. 6. [DISPOSITION OF INCOME.] *Notwithstanding provisions of section 10, the income of the permanent school fund as calculated pursuant to subdivision 5, shall be credited to the permanent school fund, and transferred to the school endowment fund as needed for payments made pursuant to Minnesota Statutes, Section 124.08.*

Sec. 15. [11A.17] [MINNESOTA SUPPLEMENTAL RETIREMENT INVESTMENT FUND.] **Subdivision 1. [ESTABLISHMENT.]** *There is hereby established a supplemental retirement investment fund for the purpose of providing an investment vehicle for the assets of various public retirement plans and funds. This fund shall consist of three investment accounts: an income share account, a growth share account, and a fixed-return account. The supplemental retirement investment fund shall be a continuation of the supplemental retirement fund in existence on January 1, 1980.*

Subd. 2. [ASSETS.] *The assets of the supplemental retirement investment fund shall consist of the moneys certified and transmitted to the state board from the participating public retirement*

plans and funds and shall be used to purchase investment shares in the investment accounts specified by the plan or fund.

Subd. 3. [MANAGEMENT.] The supplemental retirement investment fund shall be managed by the state board.

Subd. 4. [INVESTMENT.] The assets of the supplemental retirement investment fund shall be invested by the state board subject to the provisions of section 22; provided, however, that the fixed-return account shall be invested entirely in debt obligations and the growth share account shall be invested as follows:

(a) Up to 100 percent of the book value may be invested in corporate stocks;

(b) Up to six percent of the book value may be invested in the stock of any one corporation;

(c) Up to ten percent of the book value may be invested in corporate stocks which do not conform with the dividend standard provided for in section 22.

Subd. 5. [PARTICIPATING PUBLIC RETIREMENT PLANS OR FUNDS.] Any public retirement plan or fund authorized or required by law to invest its assets in the supplemental retirement investment fund may from time to time as provided by law certify moneys to the state board for the purchase of investment shares in the investment accounts of the supplemental retirement investment account. The state board shall credit each purchase of investment shares to the appropriate participating public retirement plan or fund and shall confirm each purchase in writing to the appropriate plan or fund. Each participating public retirement plan or fund shall maintain adequate records to account for moneys certified to the supplemental retirement investment fund.

Subd. 6. [PARTICIPATION IN FUND.] Each public retirement plan or fund which has certified moneys to the state board for investment in the supplemental retirement investment fund shall have a participation in each investment account of the fund in which it has moneys invested. The participation shall be determined by the ratio of the number of shares credited to the public retirement plan or fund to the total number of shares in that account.

Subd. 7. [PURCHASE OF SHARES.] The state board shall allocate shares in the investment account or accounts at least monthly following the receipt of the funds for purchase of shares from the public retirement plan or fund as specified in the certification. The purchase price for shares shall be determined using the procedure specified in subdivision 9.

Subd. 8. [REDEMPTION OF SHARES.] The state board shall redeem shares in the investment account or accounts on the first business day after the valuation date next following the receipt of the request for redemption of shares from the public retirement plan or fund. The redemption value for shares shall be

determined using the procedure specified in subdivision 9. Moneys representing the value of the redeemed shares shall be transmitted to the public retirement plan or fund making the request.

Subd. 9. [VALUATION OF INVESTMENT SHARES.] The value of investment shares in the income share investment account or in the growth share investment account shall be determined by dividing the total market value of the securities constituting the respective account by the total number of shares then outstanding in the investment account. Whenever the value of investment shares of an investment account has exceeded \$10 per share for a period of six consecutive months, each investment share in the investment account may be split at the direction of the board on a two new shares for one prior share basis. The value of investment shares in the fixed-return investment account shall be \$5 per share; provided, however, if the fixed-return investment account shares are redeemed by a public retirement fund where the shares are not attributable to the individual account of any person prior to the expiration of the multi-year period set by the board for the payment of the applicable assumed rate, the value of the investment shares shall be at market value. Terms as to withdrawal schedules will be agreed upon by the public retirement fund and the state board. Notwithstanding the provisions of section 10, the investment income earned by the fixed-return investment account shall be used to purchase additional shares on behalf of each participating public retirement plan or fund.

Subd. 10. [CERTIFICATIONS FOR INVESTMENT AND REQUESTS FOR REDEMPTION.] The state board may specify the required forms for certifications of moneys for investment and requests for redemption of investment shares and may require the filing of any other documents which it deems necessary.

Subd. 11. [PROSPECTUS.] Annually, on or before July 1, the state board shall prepare and shall issue a prospectus for the supplemental retirement investment fund with separate exhibits for each investment account. The exhibit for each account shall list for each security representing the current assets of the account the following items, whichever are applicable:

- (1) The purchase price of the security;
- (2) The current market value of the security;
- (3) The current dividend or interest rate of the security;
- (4) The rating of a debt security issued by a nationally recognized rating agency if it is other than a security issued or guaranteed by the United States government.

The prospectus shall set forth the statutory provisions governing the supplemental retirement investment account.

Sufficient copies of the prospectus shall be transmitted to each public retirement plan or fund participating in the supplemental retirement investment account to meet the plan or fund's distribu-

tion requirements. Ten copies of the prospectus shall be filed with the director of the legislative reference library.

Subd. 12. [RATE OF INTEREST FOR FIXED RETURN.] *At the beginning of each fiscal year, the state board shall set an assumed interest rate for moneys invested in the account during that year, with the rate applicable to all sums invested during that 12 month period. At the end of the 12 months, the state board may determine the period over which the an assumed rate is to apply to funds so invested, depending on the average yield and maturity of the securities purchased. Any earnings accrued to the account above the rate earlier indicated may be used to purchase additional shares on behalf of each participating public retirement plan or fund at fiscal year end after necessary reserves are established.*

Sec. 16. Minnesota Statutes 1978, Chapter 11, is amended by adding a section to read:

[11A.18] [MINNESOTA POST-RETIREMENT INVESTMENT FUND.] Subdivision 1. [ESTABLISHMENT.] *There is hereby established a post-retirement investment fund for the purpose of providing an investment vehicle for the reserves for various retirement annuities and benefits payable by the participating retirement funds and plans. The post-retirement investment fund shall be a continuation of the Minnesota adjustable fixed benefit fund in existence on January 1, 1980.*

Subd. 2. [ASSETS.] *The assets of the post-retirement investment fund shall consist of the moneys representing the reserves for various retirement annuities and benefits payable by participating retirement funds and plans which have been certified to and received by the state board from the participating public retirement funds and plans.*

Subd. 3. [MANAGEMENT.] *The post-retirement investment fund shall be managed by the state board.*

Subd. 4. [INVESTMENT.] *The assets of the post-retirement investment fund shall be invested by the state board subject to the provisions of section 22.*

Subd. 5. [DEFERRED YIELD ADJUSTMENT ACCOUNT.] *There is hereby established a deferred yield adjustment account which shall be increased by the sale or disposition of any debt securities at less than book value and shall be decreased by the sale or disposition of debt securities at more than book value. At the end of each fiscal year, a portion of the balance of this account shall be offset against the investment income for that year. The annual portion of the balance to be offset shall be proportional to the reciprocal of the average remaining life of the bonds sold, unless the amounts are offset by gains on the future sales of these securities. The amount of this account shall be included in the recognized value of assets other than corporate stocks and all other equity investments. In any fiscal year in which the gains on the sales of debt securities exceed the discounts realized on the sales of such securities, the excess shall be used to reduce the balance of the account.*

Subd. 6. [PARTICIPATING PUBLIC RETIREMENT FUNDS OR PLANS.] Any public retirement fund or plan authorized by law to participate in the post-retirement investment fund shall no later than the commencement of a benefit payment from the post-retirement investment fund, certify and transfer to the state board moneys equal to the actuarially determined reserves required for those retirement annuities and benefits which are payable by the public retirement fund or plan and which are specified in law to be included in the participation in the fund. The state board shall confirm in writing each certification and transfer of moneys made by a participating public retirement fund or plan. Each participating public retirement fund or plan shall maintain adequate records to account for moneys transferred to the post-retirement investment fund.

Subd. 7. [PARTICIPATION IN FUND.] Each participating public retirement fund or plan which has transferred moneys to the state board for investment in the post-retirement investment fund shall have an undivided participation in the fund. The participation on any valuation date shall be determined by adding to the participation on the prior valuation date: (a) funds transferred in accordance with subdivision 6, (b) the amount of required investment income on its participation as defined in subdivision 9, clause (1)(c) and (c) the reserves for any benefit adjustment made as of the current valuation date with the result adjusted for any mortality gains or losses determined pursuant to subdivision 11.

Subd. 8. [WITHDRAWAL OF MONEYS.] Upon certification by the applicable executive director that a portion of the certified moneys representing the required reserves for various retirement annuities or benefits payable from the participating public retirement fund or plan are required for the payment of a retirement annuity or benefit, the state board shall sell sufficient securities or transfer sufficient available cash to equal the amount of money certified as required and shall order the transfer of that amount to the appropriate executive director.

Subd. 9. [CALCULATION OF POST-RETIREMENT ADJUSTMENT.] Annually, following June 30, the state board shall determine whether a post-retirement adjustment shall be payable and shall determine the amount of any post-retirement adjustment which shall be payable.

(1) The state board shall determine whether a post-retirement adjustment shall be payable using the following procedure:

(a) The state board shall determine the amount of dividends, interest, accruals and realized equity capital gains or losses applicable to the most recent fiscal year ending June 30;

(b) The participating public pension funds or plans shall determine the amount of reserves required for every annuitant and benefit recipient as of the current June 30. Every annuitant or benefit recipient who has been receiving an annuity or benefit for at least one year as of the current June 30 shall be eligible to

receive a post-retirement adjustment. Each fund shall report separately the amount of the reserves for those annuitants and benefit recipients who are eligible to receive a post-retirement benefit adjustment and those annuitants and benefit recipients who are not eligible to receive a post-retirement adjustment. The amount of the required reserves shall be certified to the board as soon as is practical following the current June 30;

(c) The state board shall determine the amount of investment income required to equal five percent of the required reserves as of the preceding June 30 adjusted by five percent of each transfer in or transfer out multiplied by the fraction of a year from the date of transfer to the current June 30. This amount of required investment income shall be subtracted from the actual amount of investment income determined pursuant to clause (1)(a), to determine the amount of excess investment income. If this amount is positive, then a post-retirement adjustment may be paid.

(2) The state board shall determine the amount of any post-retirement adjustment which is payable using the following procedure:

(a) The state board shall determine the amount of excess investment income by the method indicated in clause (1);

(b) The participating public pension funds and plans shall certify to the state board the total required reserves as of the first of January next following the end of the fiscal year for the annuitants and benefit recipients eligible to receive the post-retirement adjustment as determined by clause (1)(b);

(c) If the state board determines that the book value of the assets of the fund is less than an amount equal to 100 percent of the current June 30 required reserves, with the book value to be determined after the adjustments provided for in subdivision 11, then the board shall allocate 25 percent of the excess investment income as an asset of the fund. The remaining 75 percent will be termed available for distribution. The book value of assets on any given date shall be the cost of equity investments and the amortized cost of fixed income investments.

(d) The resulting total amount available for distribution shall be increased by two and one-half percent, and the result shall be stated as a percentage of the total required reserves pursuant to clause (2)(b), and shall be certified to each participating public pension fund or plan as the amount of the post-retirement adjustment.

Subd. 10. [PAYMENT OF POST-RETIREMENT ADJUSTMENT.] Upon receiving the certification of the amount of the post-retirement adjustment from the state board, each participating public pension fund or plan shall determine the amount of the post-retirement adjustment payable to each eligible annuitant and benefit recipient. The dollar amount of the post-retirement adjustment payable to each annuitant or benefit recipient shall be calculated by applying the certified post-retirement adjustment percentage to the amount of the monthly annuity or benefit

payable to each eligible annuitant or benefit recipient. The post-retirement adjustment shall commence to be paid on January 1 following the calculations required pursuant to this section and shall thereafter be included in the monthly annuity or benefit paid to the recipient. Notwithstanding Minnesota Statutes, Section 356.18, any adjustment pursuant to this section shall be paid automatically unless the intended recipient files a written notice with the applicable participating public pension fund or plan requesting that the adjustment not be paid.

Subd. 11. [ADJUSTMENT FOR MORTALITY GAINS AND LOSSES.] As of June 30 annually, the actuary of each participating public pension fund or plan shall calculate the amount of required reserves representing any mortality gains and any mortality losses incurred by the fund or plan during the fiscal year. The actuary shall report separately the amount of the reserves for annuitants and benefit recipients who are eligible for a post-retirement benefit adjustment and the amount of reserves for annuitants and benefit recipients who are not eligible for a post-retirement benefit adjustment. If the net amount of required reserves represents a mortality gain, the participating public pension fund or plan shall certify that amount to the state board, which shall sell sufficient securities or transfer sufficient available cash to equal the amount of money certified. If the amount of required reserves represents a mortality loss, the participating public pension fund or plan shall transfer to the state board an amount equal to the amount of the net mortality loss. The amount of the transfers shall be determined before any post-retirement benefit adjustments have been made. All book values of the assets of the fund for the purposes of subdivision 9 shall be determined only after all adjustments for mortality gains and losses for the fiscal year have been made.

Subd. 12. [APPROPRIATION OF REQUIRED AMOUNTS.] All moneys necessary to meet the requirements of the certification of withdrawals and all moneys necessary to pay post-retirement adjustments pursuant to this section are hereby and from time to time appropriated from the post-retirement fund to the state board.

Sec. 17. [11A.19] [VARIABLE ANNUITY INVESTMENT FUND.] Subdivision 1. **[ESTABLISHMENT.]** There is hereby established a variable annuity investment fund for the purpose of providing an investment vehicle for the assets of the variable annuity program of the teachers retirement association. The variable annuity investment fund shall be a continuation of the variable annuity fund in existence on January 1, 1980.

Subd. 2. [ASSETS.] The assets of the variable annuity investment fund shall consist of all cash and investments credited to the variable annuity program of the teachers retirement association.

Subd. 3. [MANAGEMENT.] The variable annuity investment fund shall be managed by the state board.

Subd. 4. [INVESTMENT.] The assets of the variable annuity

investment fund shall be invested by the state board subject to the provisions of section 22 except that:

(a) Up to 100 percent of the book value may be invested in corporate stocks;

(b) Up to six percent of the book value may be invested in the stock of any one corporation;

(c) Up to ten percent of the book value may be invested in corporate stocks which do not conform with the dividend standard provided for in section 22, subdivision 5.

Subd. 5. [VALUATION OF FUND.] *The variable annuity investment fund shall be valued by the state board bimonthly, using the closing market prices of the last business days of August, October, December, February, April and June of each fiscal year. The ratio of the total market value of investments to the admitted value of investments at the end of the preceding fiscal year, plus the cost of investment acquired, less the net receipts from investments sold during the fiscal year, shall be determined for each valuation date. The admitted value of the investments of the variable annuity investment fund at the end of each fiscal year shall be the book value of all investments held at that date multiplied by the average of the ratios at the 12 bimonthly valuation dates for the fiscal year and the immediately preceding fiscal year. The book value of investments during any fiscal year shall be the admitted value at the end of the preceding fiscal year or the cost of the investments if acquired during the fiscal year.*

Subd. 6. [ACCOUNTING PROCEDURES.] *Notwithstanding provisions of section 10, the following procedures shall be employed by the state board:*

(1) The earnings from the investments of the variable annuity investment fund shall consist of dividends, interest and all other income derived from the investments and shall be determined on an accrual basis as of each bimonthly valuation date. The income shall be attributed to those funds in the account at the beginning of the bimonthly period. Earnings from investments shall not include changes in the admitted values of the investments.

(2) Any realized gain or loss shall be recorded in a realized appreciation account, and shall consist of the amount received on sale less the cost of the security. Unrealized gains or losses for any fiscal year shall be determined as provided in subdivision 5.

Subd. 7. [TOTAL ANNUAL INCREMENT OR DECREMENT.] *The total annual increment or decrement for any one year shall be the sum of (a) the six bimonthly computations of earnings as computed under subdivision 6, clause (1); (b) total realized gains or losses for the fiscal year as computed under subdivision 6, clause (2), after adjusting for the approximate unrealized gain or loss evidenced for such securities in the admitted value; and (c) total unrealized gains or losses for the fiscal year as computed under subdivision 6, clause (2).*

Subd. 8. [RATE OF RETURN.] *The total annual increment or decrement divided by the admitted value of the assets of the Minnesota variable annuity fund, as computed pursuant to subdivision 5, shall be defined as the rate of return for the fiscal year. The rate of return is to be used as the percentage of increase or decrease which shall be credited to the individual member's account balances at the end of the fiscal year.*

Sec. 18. [11A.20] [INVESTMENT OF STATE TREASURY FUNDS NOT CURRENTLY NEEDED.] *Subdivision 1. [CERTIFICATION OF STATE TREASURY FUNDS NOT CURRENTLY NEEDED.] The state treasurer shall make a report to the commissioner of finance daily or at other times as the commissioner of finance shall determine of the funds in the state treasury together with any other information which the commissioner may prescribe. When there are funds in the state treasury over and above the amount that the commissioner of finance has advised the treasurer is currently needed, the state treasurer shall certify to the state board the amount thereof.*

Subd. 2. [INVESTMENT.] *The certified amount of state treasury funds not currently needed shall be invested by the state board subject to the provisions of section 23.*

Subd. 3. [CREDITING OF INVESTMENT INCOME.] *Notwithstanding provisions of section 10, all investment income and all investment losses attributable to the investment of state treasury funds not currently needed shall be credited to the general fund.*

Sec. 19. [11A.21] [INVESTMENT OF HIGHWAY FUNDS.] *Subdivision 1. [CERTIFICATION OF HIGHWAY FUNDS.] The commissioner of transportation shall certify to the state board those portions of the trunk highway fund established pursuant to Article XIV, Section 6 of the constitution of the state of Minnesota, the county state-aid highway fund established pursuant to Article XIV, Section 7 of the constitution of the state of Minnesota and the municipal state-aid street fund established pursuant to Article XIV, Section 8 of the constitution of the state of Minnesota which in the judgment of the commissioner are not required for immediate use.*

Subd. 2. [INVESTMENT.] *The certified amount of highway funds not currently needed shall be invested by the state board subject to the provisions of section 22.*

Sec. 20. [11A.22] [STATE ZOOLOGICAL GARDEN OPERATING RECEIPTS INVESTMENT ACCOUNT.] *Subdivision 1. [ESTABLISHMENT.] There is hereby established a zoological garden operating receipts investment account for the purpose of investing funds not required for immediate use.*

Subd. 2. [CERTIFICATION OF RECEIPTS.] *The state zoological garden board shall, from time to time, certify to the state board the amount of funds available for investment.*

Subd. 3. [INVESTMENT.] *Amounts certified to the state zoological garden operating receipts investment account shall be invested by the state board subject to the provisions of section 23.*

Subd. 4. [CREDITING OF INVESTMENT INCOME.] *Notwithstanding provisions of section 10, all investment income and all investment losses attributable to the investment of the account shall be credited to or borne by the state zoological garden general account.*

Subd. 5. [WITHDRAWAL OF FUNDS.] *Upon certification by the state zoological garden board that moneys in the state zoological garden operating receipts investment account are needed for current purposes, the state board shall sell sufficient securities to equal the amount of moneys certified as needed and shall order the transfer of the moneys to the state zoological garden general account.*

Sec. 21. [11A.23] [INVESTMENT OF RETIREMENT FUNDS AND PLANS.] **Subdivision 1. [CERTIFICATION OF ASSETS NOT NEEDED FOR IMMEDIATE USE.]** *Each executive director administering a retirement fund or plan enumerated in subdivision 4 shall, from time to time, certify to the state board for investment those portions of the assets of the retirement fund or plan which in the judgment of the executive director are not required for immediate use. Assets of the fund or plan required for participation in the Minnesota post-retirement adjustment fund, the combined investment fund, the supplemental retirement investment fund or the variable annuity investment fund shall be transferred to those funds as provided by sections 1 to 23.*

Subd. 2. [INVESTMENT.] *Retirement fund assets certified to the state board pursuant to subdivision 1 shall be invested by the state board subject to the provisions of section 22. Retirement fund assets transferred to the Minnesota post-retirement adjustment fund, the combined investment fund, the supplemental retirement investment fund or the variable annuity investment fund shall be invested by the state board as part of those funds.*

Subd. 3. [WITHDRAWAL OF ASSETS.] *When an executive director administering a retirement fund or plan enumerated in subdivision 4, certifies to the state board that invested assets of the fund or plan are required for immediate use, the state board shall sell securities to equal the amount of assets certified as required and shall order the transfer of the assets to the appropriate executive director.*

Subd. 4. [COVERED RETIREMENT FUNDS AND PLANS.] *The provisions of this section shall apply to the following retirement funds and plans:*

(1) *State university and state community college supplemental retirement plan established pursuant to Minnesota Statutes, Sections 136.80 to 136.87;*

(2) *State employees retirement fund established pursuant to Minnesota Statutes, Chapter 352;*

(3) *Correctional employees retirement plan established pursuant to Minnesota Statutes, Chapter 352;*

(4) *Highway patrol retirement fund established pursuant to Minnesota Statutes, Chapter 352B;*

(5) *Unclassified employees retirement plan established pursuant to Minnesota Statutes, Chapter 352D;*

(6) *Public employees retirement fund established pursuant to Minnesota Statutes, Chapter 353;*

(7) *Public employees police and fire fund established pursuant to Minnesota Statutes, Chapter 353;*

(8) *Teachers' retirement fund established pursuant to Minnesota Statutes, Chapter 354;*

(9) *Judges' retirement fund established pursuant to Minnesota Statutes, Chapter 490; and*

(10) *Any other funds required by law to be invested by the board.*

Sec. 22. [11A.24] [AUTHORIZED INVESTMENTS.] *Subdivision 1. [SECURITIES GENERALLY.] The state board shall have the authority to purchase, sell, lend or exchange the following securities for funds or accounts specifically made subject to this section including the writing of covered call options.*

Subd. 2. [GOVERNMENT OBLIGATIONS.] The state board may invest funds in governmental bonds, notes, bills, mortgages and other fixed obligations, including guaranteed or insured issues of (a) the United States, its agencies or its instrumentalities, including financial contracts traded upon a contract market designated and regulated by a federal agency; (b) Canada and its provinces, provided the principal and interest is payable in United States dollars; (c) the states and their municipalities, political subdivisions, agencies or instrumentalities, where backed by the state's full faith and credit or if the issuer has not been in default in payments of principal or interest within the past ten years or in the case of revenue bonds the obligor has been completely self-supporting for the five prior years; (d) the International Bank for Reconstruction and development, the Inter-American Development Bank, the Asian development Bank, or any other United States Government sponsored organization of which the United States is a member, provided the principal and interest is payable in United States dollars and the issues are rated in the highest quality category by a nationally recognized rating agency.

Subd. 3. [CORPORATE OBLIGATIONS.] The state board may invest funds in bonds, notes, debentures, transportation equipment obligations, or any other longer term evidences of indebtedness issued or guaranteed by a corporation organized under the laws of the United States or any state thereof, or the Dominion of Canada or any province thereof if they conform to the following provisions:

(a) The principal and interest of obligations of corporations incorporated or organized under the laws of the Dominion of Canada or any province thereof shall be payable in United States dollars;

(b) *The consolidated net pretax earnings of corporations other than finance corporations shall have been on average for the preceding five years at least 1.5 times the annual interest charges on total funded debt applicable to that period;*

(c) *The consolidated net pretax earnings of banks and finance corporations shall have been on average for the preceding five years at least 1.2 times the annual interest charges on total funded debt applicable to that period;*

(d) *Obligations shall be rated among the top three quality categories by a nationally recognized rating agency or if unrated, then the corporation shall have other comparably secured issues similarly rated or the consolidated net pretax earnings of the corporation shall have been on average for the preceding five fiscal years at least twice the ratios required in clauses (b) and (c).*

Subd. 4. [OTHER OBLIGATIONS.] *The state board may invest funds in bankers acceptances, certificates of deposit, commercial paper, notes or bonds secured by mortgages, repurchase agreements and reverse repurchase agreements and savings accounts if they conform to the following provisions:*

(a) *Bankers acceptances of United States banks shall be limited to those eligible for purchase by the Federal Reserve System;*

(b) *Certificates of deposit shall be limited to those issued by banks and savings institutions that meet the collateral requirements established in Minnesota Statutes, Section 9.031, unless sufficient volume is unavailable at competitive interest rates. In that event, noncollateralized certificates of deposit may be purchased from United States banks and savings institutions that are rated in the highest quality category by a nationally recognized rating agency;*

(c) *Commercial paper shall be limited to those issued by United States corporations or their Canadian subsidiaries, shall be of the highest quality and mature in 270 days or less;*

(d) *Notes or bonds secured by first mortgages or trust deeds on improved real estate located in the United States including mortgage participation certificates and pools, with a maximum loan to value ratio of 80 percent for fully amortizable residential properties but otherwise in accordance with Minnesota Statutes, Section 61A.28, Subdivision 3. Real estate is a legal investment if acquired through a default or foreclosure;*

(e) *Repurchase agreements and reverse repurchase agreements shall be limited to one of the securities described in subdivision 2a;*

(f) *Savings accounts shall be limited to those fully insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation.*

Subd. 5. [CORPORATE STOCKS.] *The state board may invest funds in stocks or convertible issues of any corporation or-*

ganized under the laws of the United States or the states thereof, the Dominion of Canada or its provinces, or any corporation listed on the New York Stock Exchange or the American Stock Exchange.

Sec. 23. [11A.25] [ADDITIONAL INVESTMENT PROVISIONS.] *When investing assets of any funds or accounts specifically made subject to this section or not otherwise referred to in sections 1 to 23, all securities shall be debt obligations maturing within three years of the date of purchase and shall conform to the applicable provisions of section 22.*

Sec. 24. *By January 1, 1981, the executive director shall have submitted to the state board and the legislature a report analyzing ways in which increased portions of the funds under the investment control of the state board could be invested in ways directly beneficial to all Minnesotans without increasing the risk to the funds or lowering their total rates of return. The report shall identify any statutory amendments needed to permit this increased investment. In preparing this report the director shall consult with representatives of fund beneficiaries and other persons interested in the investment of public moneys.*

Sec. 25. Minnesota Statutes, 1979 Supplement, Section 15A.081, Subdivision 1, is amended to read:

15A.081 [SALARIES AND SALARY RANGES FOR CERTAIN EMPLOYEES.] Subdivision 1. The following salaries or salary ranges are provided for the below listed employees in the executive branch of government:

	Salary or Range	
	Effective July 1, 1979	Effective July 1, 1980
	\$	\$
Administration, department of commissioner	44,000	47,000
Agriculture, department of commissioner	38,000	40,000
Commerce, department of		
commissioner of banks	34,000	36,500
commissioner of insurance	34,000	36,500
commissioner of securities	34,000	36,500
director of consumer services	28,000	30,000
Community college system chancellor	44,000	46,000
Corrections, department of		
commissioner	42,000	45,000
ombudsman	33,000	35,000

	1979	1980
	\$	\$
Crime control planning board, executive director	33,000	35,000
Economic development, department of commissioner	34,000	36,000
Economic security, department of commissioner	43,000	45,000
Education, department of commissioner	43,000	45,000
Energy agency director	38,000	40,000
Finance, department of commissioner	48,000	50,000
Health, department of commissioner	47,000	49,000
Hearing examiners office chief hearing examiner	38,000	40,000
Higher education coordinating board executive director	40,000	42,000
Housing finance agency executive director	39,000	41,000
Human rights, department of commissioner	31,000	33,000
Indian affairs board executive director	27,000	29,000
Investment, board of executive secretary	42,000	44,000
Iron range resources and rehabilitation board commissioner	30,000	31,000
Labor and industry, department of commissioner	38,000	40,000
judge of the workers' compensation court of appeals	38,000	40,000
Mediation services, bureau of director	36,000	38,000
National resources, department of commissioner	44,000	47,000
Personnel, department of commissioner	44,000	47,000

	1979	1980
	\$	\$
Planning agency director	43,000	45,000
Pollution control agency director	38,000	40,000
Public safety, department of commissioner	38,000	41,000
Public service, department of commissioner, public service commission director	34,000 34,000	36,000 36,000
Public welfare, department of commissioner	44,000	48,000
Revenue, department of commissioner	44,000	47,000
State university system chancellor	44,000	46,000
Transportation, department of commissioner	44,000	48,000
Veterans affairs, department of commissioner	31,000	33,000

Sec. 26. Minnesota Statutes, 1979 Supplement, Section 43.064, is amended to read:

43.064 [OTHER SALARIES SET BY COMMISSIONER OF PERSONNEL.] Notwithstanding any other law to the contrary, compensation for all unclassified positions in the executive branch not enumerated in the listing described in section 15A.081, shall be established by the commissioner except for the following: (1) positions listed in section 299D.03; (2) employees in the office of the governor whose salaries shall be determined by the governor; (3) employees in the office of the attorney general; (4) *employees of the state board of investment*; (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, or conducting academic support programs; and the positions of state university and community college presidents. Individual salaries for positions enumerated in clauses (3) ~~and~~ , (4) ~~and~~ (5) and for classified hearing examiners in the office of hearing examiners shall be determined by the attorney general, *the state board of investment*, the state university board, the state board for community colleges, the higher education coordinating board, and the chief hearing examiner, respectively, within the limits of salary plans which shall have been approved by the commissioner 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~~ *the* subsequent act that the provisions of this section shall not be applicable or shall be superseded, amended, or repealed.

Sec. 27. Minnesota Statutes 1978, Section 69.77, Subdivision 2, as amended by Laws 1980, Chapter 341. Section 1, is amended to read:

Subd. 2. Subdivision 1 does not apply to an association enumerated in subdivision 1a under the following circumstances:

(1) Each member of the association pays into the retirement funds of the association during his term of covered employment from and after January 1, 1981, a contribution for retirement and survivorship benefits of not less than eight percent of the maximum rate of salary from which retirement and survivorship credits and amounts of benefits are determined, and that ~~such~~ *the* contributions of a member are deducted from his salary by his governmental employer, transmitted to the association, and deposited to the credit of the proper fund thereof, provided that to avoid undue increase in the amount of employee contributions in any one year, any increase in the amount of contributions required by this section may be spread over several years, but the increase in rate of contribution in each year commencing in 1981 shall not be less than one percent until the appropriate levels of required employee contributions have been reached. This paragraph shall not apply to members who are volunteer firefighters, provided that the local governing body shall have given their approval to the exemption following consideration of the most recent actuarial survey.

(2) The officers of the association determine on or before the date established by the municipality, which shall not be later than September 1 and shall not be earlier than August 1, of each year the financial requirements and minimum obligation of the association for the following calendar year in accordance with the following requirements:

The financial requirements shall be based on the most recent actuarial survey prepared in accordance with sections 356.215, subdivision 4 and 356.216.

The normal level cost expressed as a percent of covered payroll determined from the actuarial survey shall be applied to the estimated covered payroll of the membership for the following year to determine the dollar amount of normal cost for said following year.

To the dollar amount of normal cost thus determined shall be added the amount of one year's interest at five percent on the amount of the (deficit) unfunded liability found by the actuarial survey of the fund.

The total of these two amounts represents the financial requirements of the association for the following year.

Except as otherwise provided in this paragraph, the minimum

obligation of the governmental subdivision shall be the financial requirements of the association less member contributions herein provided from covered salary and less one year's estimated receipts expected from the state of Minnesota through state collected insurance premium taxes or other state aids. The minimum obligation may, by vote of the governing body of the governmental subdivision, be reduced to the amount levied in the preceding year for purposes of the association, plus the following percentage of the difference between that levy and the amount of the minimum obligation determined without benefit of this sentence: for the levy made in 1971, 10 percent; in 1972, 20 percent; in 1973, 30 percent; in 1974, 40 percent; in 1975, 50 percent; in 1976, 60 percent; in 1977, 70 percent; in 1978, 80 percent; and in 1979, 90 percent. Commencing with the levy made in 1980, there shall be no reduction in the minimum obligation pursuant to this paragraph.

(3) The foregoing determination of the obligation of a governmental subdivision shall be submitted to its governing body not later than September 1 of each year so that it may ascertain if it has been prepared in accordance with law.

(4) The governmental subdivision shall provide and pay as promptly as funds are available to the association at least the amount of the minimum obligation each year. Any portion of this amount not paid to the association at the end of any calendar year shall be increased at the rate of six percent per annum until so paid. On September 1 of any year the unpaid amount subject to interest shall be added to the obligation of the governmental subdivision.

(5) The governmental subdivision shall provide in its annual budget at least its minimum obligation and may levy taxes for the payment thereof without limitation as to rate or amount and irrespective of limitations imposed by other provisions of law upon the rate or amount of taxation when the balance of any fund of the association has attained a specified level; the levy of such taxes shall not cause the amount of other taxes levied or to be levied by the governmental subdivision, which are subject to any such limitation, to be reduced in any amount whatsoever. If the governmental subdivision does not include the full amount of the minimum obligation in its levy for any year, the officers of the association shall certify that amount to the county auditor, who shall spread a levy in the amount of such ~~the~~ obligation.

(6) Moneys paid by the governmental subdivision to the association in excess of the minimum amount so required shall be applied to the reduction in the unfunded liabilities of the association.

(7) The funds of the association shall be invested in securities which are proper investments ~~for funds of the Minnesota state retirement system pursuant to section 22~~, except that up to \$10,000 may be invested in the stock of any one corporation in any account of such small size that the three percent stock limitation ~~applicable to the Minnesota state retirement system specified in~~

section 22, subdivision 5 would necessitate a lesser investment. Securities held by the association before July 1, 1971, which do not meet the requirements of this paragraph may be retained after that date if they were proper investments for the association on April 28, 1969. The governing board of the association may select and appoint investment agencies to act for and in its behalf or may certify funds for investment by the state board of investment under the provisions of section 11.21 15, provided that there be no limit to the amount which may be invested in the income share account described in section 11.18, subdivision 2, or in the fixed-return account described in section 11.18, subdivision 3a, and that up to 20 percent of that portion of the assets of the association invested in the Minnesota supplemental retirement investment fund may be invested in the growth share account described in section 11.18, subdivision 3.

(8) The association shall procure an actuarial survey showing the condition of its fund pursuant to section 356.216 as of December 31, 1978, and shall procure an actuarial survey every two years thereafter. The association shall also procure a quadrennial experience study pursuant to section 356.216 as of December 31, 1978, and shall procure a quadrennial experience study every four years thereafter. A copy of the actuarial survey and the quadrennial experience study shall be filed with the director of the legislative reference library, the governing body of the municipality in which the association is organized, the executive secretary of the legislative commission on pensions and retirement, and the commissioner of insurance, not later than June 1 of the following year.

Sec. 28. Minnesota Statutes 1978, Section 69.775, is amended to read:

69.775 [INVESTMENTS.] The special fund assets of the relief associations governed by sections 69.771 to 69.776 shall be invested in securities which are proper investments ~~for funds of the Minnesota state retirement system pursuant to section 22~~, except that up to five percent of the special fund assets, or a minimum of \$10,000, may be invested in the stock of any one corporation. Securities held by the associations before January 1, 1972, which do not meet the requirements of this section may be retained after that date if they were proper investments for the association on May 14, 1971. The governing board of the association may select and appoint investment agencies to act for and in its behalf or may certify funds for investment by the state board of investment under the provisions of section 11.21 15, provided that there be no limit to the amount which may be invested in the income share account described in section 11.18, subdivision 2, or in the fixed-return account described in section 11.18, subdivision 3a, and that up to 20 percent of that portion of the assets of the association invested in the Minnesota supplemental retirement fund may be invested in the growth share account described in section 11.18, subdivision 3.

Sec. 29. Minnesota Statutes 1978, Section 124.46, Subdivision 4, is amended to read:

Subd. 4. Bonds shall be issued pursuant to this section only when authorized by a law specifying the purpose thereof and the maximum amount of the proceeds authorized to be expended for such *that* purpose. Any act authorizing the issuance of bonds in the manner provided in this section shall, together with this section, constitute complete authority for such *the* issue, and such *the* bonds shall not be subject to the restrictions or limitations contained in any other law. Bonds issued pursuant hereto may be purchased by the state board of investment for the permanent school fund, swamp land fund, internal improvement land fund, or any other fund for which investments may be made by the state board of investment or may be sold elsewhere at public or private sale and shall be deemed "authorized securities" within the provisions of section 50.14 and acts amendatory thereof or supplemental thereto.

Sec. 30. Minnesota Statutes 1978, Section 167.42, is amended to read:

167.42 [PLEDGE OF FULL FAITH AND CREDIT.] The full faith and credit of the state of Minnesota is hereby irrevocably pledged to the payment of the principal of and the interest on the bonds authorized by sections 167.39 to 167.45. Such *The* bonds shall be issued and sold on competitive bids after reasonable notice, or direct to the state board of investment without bids and that board is hereby authorized to invest any funds under its control or discretion in any of these bonds, notwithstanding any limitations imposed by section 11.10 or any other provisions of law. Such *The* bonds shall be issued and sold by the state auditor under such rules and regulations and in such *the* form and denominations as he shall determine and shall be attested by the secretary of state. Such *The* rules may provide for the maturity, registration, conversion and exchange of the bonds so issued; all bonds maturing more than three years after their date may be made redeemable at par at the expiration of such *the* three years and on each interest payment date thereafter upon such notice as such *the* rules, made prior to the issuance of the bonds, may provide. All expenses incident to the printing and the sale of the bonds, including actual and necessary traveling expenses of state officers and employees for such *the* purpose, shall be paid from the trunk highway fund and the amounts therefor are hereby appropriated from said *that* fund. The provisions of sections 15.041 to 15.044 shall not apply to the rules and regulations promulgated pursuant hereto. The state auditor shall keep a record showing the number, date of issue and date of maturity of each such bond.

Sec. 31. Minnesota Statutes 1978, Section 167.50, Subdivision 2, is amended to read:

Subd. 2. Said *The* bonds shall be issued and sold upon sealed bids after two weeks' published notice, or they may be sold directly to the state board of investment without bids. They shall mature serially over a term not exceeding 20 years from their respective dates of issue, shall not be sold for less than par and accrued interest, and shall not bear interest at a greater rate than

five percent per annum. Subject to the foregoing limitations, and subject to any other limitations stated in the acts authorizing *such the* bonds and appropriating the proceeds thereof, but not subject to the provisions of sections 15.0411 to 15.0422, *such the* bonds shall be issued and sold in *such the* number of series, at *such* times, in *such the* form and denominations, bearing interest at *such the* rate or rates, maturing on *such* dates, either without option of prior redemption or subject to prepayment upon *such* notice and at *such the* times and prices, payable at *such the* bank or banks, within or without the state, with *such* provisions for registration, conversion, and exchange and for the issuance of notes in anticipation of the sale and delivery of definitive bonds, and in accordance with such further regulations, as the commissioner of finance may determine. The bonds shall be executed by the commissioner of finance and attested by the state treasurer under their official seals. The signature of one of these officers on the face of any bond, and their seals, and the signatures of both officers on the interest coupons appurtenant to any bond, may be printed, lithographed, stamped, or engraved thereon.

Sec. 32. Minnesota Statutes 1978, Section 193.146, Subdivision 4, is amended to read:

Subd. 4. [SALE.] *Such The* bonds shall be sold by *such the* corporation under *such* notice and upon *such the* terms and at *such* times as the corporation shall deem best. *Such The* bonds shall not be deemed or construed to be debts of the state of Minnesota or of the county or municipality in which *such the* armory is situated, nor to impose any personal liability upon any member of *such the* corporation, but shall be payable solely out of the income to be received by *such the* corporation as specified herein. Bonds legally issued pursuant hereto may be purchased by the state board of investment for the permanent school fund, permanent university fund, swamp land fund, internal improvement land fund, or any other trust fund of the state of Minnesota, or for any other fund administered by *such* board, and shall be deemed authorized securities within the provisions of section 50.14, and laws supplemental thereto, and shall be proper for the investment of capital, surplus, or deposits of any savings bank or trust company, and for the investment of funds of any insurance company, and for the investment of any sinking funds held by any public or municipal corporation, and may be pledged by any bank or trust company as security for the deposit of public moneys therein in lieu of surety bonds. *Such The* bonds shall be deemed and treated as instrumentalities of a public governmental agency, and as such shall be exempt from taxation.

Sec. 33. Minnesota Statutes 1978, Section 352.75, Subdivision 3, is amended to read:

Subd. 3. [EXISTING RETIRED MEMBERS AND BENEFIT RECIPIENTS.] As of the effective date of Laws 1978, Chapter 538, the liability for all retirement annuities, disability benefits, survivorship annuities and survivor of deceased active employee benefits paid or payable by the metropolitan transit commission—

transit operating division employees retirement fund shall be transferred to the Minnesota state retirement system, and shall no longer be the liability of the metropolitan transit commission—transit operating division employees retirement fund. The required reserves for retirement annuities, disability benefits and optional joint and survivor annuities in effect on the day prior to the effective date of Laws 1978, Chapter 538 and the required reserves for the increase in annuities and benefits provided pursuant to subdivision 6 shall be determined using a five percent interest assumption and the applicable Minnesota state retirement system mortality table and shall be transferred by the Minnesota state retirement system to the Minnesota adjustable fixed benefit fund on the effective date of Laws 1978, Chapter 538 but shall be considered transferred as of June 30, 1978. The annuity or benefit amount in effect on the effective date of Laws 1978, Chapter 538, including the increase granted pursuant to subdivision 6, shall be considered the "originally determined benefit" for purposes of any adjustments made 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, 1970, 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 metropolitan transit commission—transit operating division employees retirement fund on or before June 30, 1977, but that adjustment shall not include in the base for calculation the amount of any increase granted pursuant to subdivision 6. If an adjustment from the Minnesota adjustable fixed benefit fund pursuant to section 11.25 is payable as of January 1, 1970, the required reserves for the increase determined using a five percent interest assumption and the applicable Minnesota state retirement system mortality table shall be transferred by the Minnesota state retirement system to the Minnesota adjustable fixed benefit fund on January 1, 1970. 16. For persons receiving benefits as survivors of deceased former retirement annuitants, the benefits shall be considered as having commenced on the date on which the retirement annuitant began receiving the retirement annuity.

Sec. 34. Minnesota Statutes 1978, Section 352B.26, Subdivision 3, is amended to read:

Subd. 3. [VALUATION OF ASSETS; ADJUSTMENT OF BENEFITS.] (1) As of June 30, 1969, the present value of all annuities, including joint and survivor annuities and qualified recipients of surviving spouse benefits, in force as of June 30, 1969, and as amended in accordance with Laws 1969, Chapter 977, shall be determined in accordance with the United States Life Tables, 1959-61, white males and white females, calculated with an interest assumption of three and one-half percent and assets representing the required reserves for these annuities shall be transferred to the Minnesota adjustable fixed benefit fund, during a period of one year in accordance with procedures specified in *Minnesota Statutes 1969*, Section 11.25. The provisions of this clause apply to all annuities which are payable under this chapter.

(2) Effective July 1, 1969, for those employees commencing to receive annuities and qualified recipients of surviving spouse benefits, or joint and survivor annuities, pursuant to this chapter, and acts amendatory thereof, the required reserves as determined in accordance with this section shall be transferred to the Minnesota adjustable fixed benefit fund as of the date benefits begin to accrue after June 30, 1969.

(3) Annuity payments shall be adjusted in accordance with the provisions of section 11.25, subdivisions 12 and 13.

(4) Notwithstanding section 356.18, increases in annuity payments pursuant to this section shall be made automatically unless written notice is filed by the annuitant with the executive director of the Minnesota state retirement system requesting that the increase shall not be made.

Sec. 35. Minnesota Statutes, 1979 Supplement, Section 353.023, is amended to read:

353.023 [TRANSFER OF PENSION COVERAGE OF MINNEAPOLIS MUNICIPAL EMPLOYEES RETIREMENT FUND COORDINATED PROGRAM.] Notwithstanding any provisions of law to the contrary, as of July 1, 1979, all active members of the coordinated program of the Minneapolis municipal employees retirement fund established pursuant to Minnesota Statutes 1978, Sections 422A.30 to 422A.39, shall cease to be members of the program of that fund and shall cease to have any accrual of service credit, rights, or benefits under the benefit plan of that program. From and after July 1, 1979, all active members of the coordinated program will have their retirement coverage transferred to the coordinated program of the public employees retirement association. The accrued liability for retirement coverage of these members to date shall be transferred to the coordinated program of the public employees retirement association and shall no longer be the liability of the Minneapolis municipal employees retirement fund. Within 30 days of July 1, 1979, the board of trustees of the Minneapolis municipal employees retirement fund shall transfer the entire assets attributable to the coordinated program of the Minneapolis municipal employees retirement fund to the coordinated program of the public employees retirement association. The assets transferred shall be an amount equal in value to the amount of employee contributions made by coordinated program members since July 1, 1978, the amount of employer matching contributions made by an employing unit on behalf of a coordinated program member since July 1, 1978, an amount equal to the employer additional contribution for the members of the coordinated program, and an amount equal to the investment income earned by the fund on the invested assets of the program since July 1, 1978. The assets transferred to the public employees retirement fund shall only include securities which are proper investments pursuant to section ~~44.16~~ 22. Within 30 days of July 1, 1979, the board of trustees and the actuary of the Minneapolis municipal employees retirement fund shall transfer to the public employees retirement association original copies of

all records and documents which are in their possession relating to the coordinated program of the Minneapolis municipal employees retirement fund and any of its members and shall provide from time to time whatever additional relevant information which the board of trustees of the public employees retirement association may request. Upon the transfer of the assets, liabilities and records of the coordinated program of the Minneapolis municipal employees retirement fund to the coordinated program of the public employees retirement association, the coordinated program of the Minneapolis municipal employees retirement fund shall terminate and shall cease to exist.

Sec. 36. Minnesota Statutes 1978, Section 353.661, Subdivision 3, is amended to read:

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 July 1, 1978 but shall be considered transferred as of June 30, 1978. The annuity or benefit amount on July 1, 1978 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. 37. Minnesota Statutes 1978, Section 422A.02, is amended to read:

422A.02 [RETIREMENT BOARD; MEMBERS.] A retirement board of seven members is hereby constituted which shall consist of the following:

- (1) Mayor;
- (2) The city ~~comptroller or corresponding official comptroller-treasurer~~;
- (3) One member of the city council selected by the council; and
- (4) Four legally qualified voters of the city, residents thereof for the preceding five years, to be chosen by the employees as defined in sections 422A.01 to 422A.25 who are contributors to the retirement fund created by sections 422A.01 to 422A.25. The employees may form an association for that purpose and the employing authorities are authorized to make payroll deductions for the payment of dues to said the association. The persons selected shall serve for staggered terms of two years from the first of the next succeeding January after their election, and until their successors are duly elected. ~~Such~~ The selection shall be made by the employees during the first week of December of each year. Vacancies occurring by death, resignation, or removal of such representatives shall be filled by representatives chosen by the employees.

Sec. 38. Minnesota Statutes, 1979 Supplement, Section 422A.03, Subdivision 1, is amended to read:

422A.03 [MEETINGS; EMPLOYEES; RULES AND REGULATIONS.] Subdivision 1. The retirement board shall meet on the third Tuesday of each calendar month of each year and may adjourn from time to time. Special meetings may be held upon the call of the president. The board shall, by a four-sevenths vote of all members of the board, appoint an executive ~~secretary~~ director, who shall have charge of the performance of the duties required by the provisions of sections 422A.01 to 422A.25, and shall appoint other necessary ~~clerical help employees~~. If at the time of his appointment as executive ~~secretary~~ director the appointee holds a position subject to the civil service rules and regulations of the city he shall be deemed to be on leave of absence from such the civil service position during his tenure as executive secretary, and upon termination of such service shall be returned to his permanent civil service classification. If no vacancy is available in his permanent civil service classified position, seniority shall prevail, and the person most recently certified to such the position shall be returned to the permanent civil service classification held by him prior too such certification.

Sec. 39. Minnesota Statutes, 1979 Supplement, Section 422A.03, Subdivision 2, is amended to read:

Subd. 2. The executive ~~secretary~~ director may be removed by a four-sevenths vote of all members of the board at a meeting called for such that purpose. Before exercising the power of removal, 15

days written notice shall be given to the executive ~~secretary~~ *director* setting forth the cause for removal and stating the time and place where ~~such the~~ charges will be heard. The hearing shall be open to the public. Other employees under the supervision of the board and employees appointed hereafter shall be subject to applicable civil service laws and rules of the city *unless the board determines that they should be unclassified*. The compensation of the executive ~~secretary~~ *director* and the other employees under the supervision of the board shall be fixed by ~~such the~~ board.

Sec. 40. Minnesota Statutes 1978, Section 422A.03, Subdivision 3, is amended to read:

Subd. 3. At the regular meeting in January each year, the board shall elect ~~one of from among~~ its members as a president, ~~one member as a~~ vice president, and ~~one member as recording a~~ secretary, who shall hold office for one year or until successors have been elected and qualified. *The city comptroller-treasurer shall serve as treasurer of the board.* The president shall preside at all meetings at which he is present. In the absence of the president the vice president shall preside and have all the powers of the president while acting as such. The recording secretary shall keep a record of all proceedings of the board, which shall be open to public inspection. At least one of the officers of the board shall be one of the representatives elected by the employees of the city to the board.

Sec. 41. Minnesota Statutes 1978, Section 422A.03, Subdivision 5, is amended to read:

Subd. 5. For the purpose of administration, except as otherwise herein provided, the executive ~~secretary~~ *director*, under the direction of the board, shall perform any and all acts and make ~~such~~ regulations as may be necessary and proper for the purpose of carrying out the provisions of sections 422A.01 to 422A.25.

Sec. 42. Minnesota Statutes 1978, Section 422A.05, Subdivision 1, is amended to read:

422A.05 [TRUSTEE OF FUNDS.] Subdivision 1. Except as otherwise provided by law the members of the retirement board shall be the trustees *and custodians* of the several funds created by sections 422A.01 to 422A.25 and shall have exclusive control and management of these funds, and power to invest the same, subject to all the terms, conditions, limitations, and restrictions imposed by law upon savings banks in the making and disposing of their investments, except convertible bonds which may be purchased as to rating but subject to the eligibility limits imposed below for common or preferred stock. Subject to like terms, conditions, limitations, and restrictions, these trustees shall have full power *them and* to hold, purchase, sell, assign, transfer, or dispose of any of the securities and investments in which any of the funds created by sections 422A.01 to 422A.25 shall have been invested as well as the proceeds of the investments, and of the money belonging to these funds.

Sec. 43. Minnesota Statutes 1978, Section 422A.05, is amended by adding a subdivision to read:

Subd. 2a. [STANDARD OF CARE.] In the discharge of their respective duties, the members of the board, the executive director, the board staff and any other person charged with the responsibility of investing money pursuant to the standards set forth in chapter 422A shall act in good faith and shall exercise that degree of judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived therefrom.

Sec. 44. Minnesota Statutes 1978, Section 422A.05, is amended by adding a subdivision to read:

Subd. 2b. [CONFLICT OF INTEREST.] No member of the board may participate in the deliberations or the voting on any matter before the board which will or is likely to result in direct, measurable personal gain to the member.

Sec. 45. Minnesota Statutes 1978, Section 422A.05, is amended by adding a subdivision to read:

Subd. 2c. The board may invest funds in corporate stocks or corporate obligations of any corporation organized under the laws of the United States or of any state of the United States or the Dominion of Canada or any province thereof and other corporations traded on the New York or American Stock Exchanges if they conform to the following provisions:

(a) On corporate stocks:

(1) The market value of these investments shall not exceed 50 percent of the market value of the funds.

(2) Investments in any one corporation shall not exceed five percent of the market value of the funds or five percent of the total shares outstanding of any one corporation.

(3) Cash dividends on these investments shall have been earned and paid for the preceding five years.

(4) Investments which do not conform to the dividend standard contained in clause (3) may be held, but the total amount of these securities shall not exceed five percent of the total market value of the funds.

(b) On corporate obligations:

(1) The consolidated net pretax earnings of corporations other than finance corporations shall have been an average for the preceding five years at least 1.5 times the annual interest charge on total funded debt applicable to that period.

(2) The consolidated net pretax earnings of banks and finance corporations shall have been an average for the preceding five years at least 1.2 times the annual interest charges on total funded debt applicable to that period.

(3) Obligations shall be rated among the top three quality categories by a nationally recognized rating agency; or if unrated, the corporation shall have other comparably secured issues similarly rated; or the consolidated net pretax earnings of the corporation shall have been an average for the preceding five years at least twice the ratios required in clauses (a) and (b).

Sec. 46. Minnesota Statutes 1978, Section 422A.05, Subdivision 3, is amended to read:

Subd. 3. The board shall have authority:

~~(1) To make such loans and advances of credits and purchases of obligations, representing loans and advances of credit, as are insured by the federal housing administration, and to obtain such insurance;~~

~~(2) (1) To make such loans secured by mortgages on real property, which the federal housing administrator has insured or made a commitment to insure, and to obtain such insurance;~~

~~(3) (2) To enter into any and all agency agreements necessary to enable it to invest its funds in loans, advances of credit, and obligations insured by the federal housing administrator, or which he has made a commitment to issue and to enter into any agreement or arrangement with any other of the pension and retirement systems of the city for the joint handling of these securities;~~

~~(4) To provide for the prorating of part or all of the cost of making, handling or foreclosing of such mortgages against the earnings of such mortgages and to establish reserve accounts from such earnings to liquidate losses or future losses on such mortgages;~~

~~(5) (3) To employ and dismiss agents, attorneys, appraisers, and others necessary for the proper handling of and servicing of such mortgages investments and to fix their compensation or fee on such the basis as it may see fit for such services rendered in connection with such mortgages the investments; and~~

~~(6) (4) To do any and all things necessary to carry out the provisions of sections 422A.01 to 422A.25 in the best interest of the funds.~~

Sec. 47. Minnesota Statutes 1978, Section 422A.05, Subdivision 5, is amended to read:

Subd. 5. All payments from the funds created by sections 422A.01 to 422A.25 shall be made signed by the treasurer of the city only upon warrant signed by the, executive secretary director, or employee or other person appointed by the retirement board, and no warrant payment shall be drawn made except by order of the board duly entered in the record of its proceedings, except that the board may create a revolving fund in such an amount as may be necessary to be used for the purpose of withdrawals from the fund of excess contributions; refunds to employees upon their separation from the service and for such other purposes as may be determined by the board. The revolving fund herein provided for

shall be periodically reimbursed by warrant drawn and signed as set forth herein. It shall be kept in the same bank or trust company as the city treasurer keeps other retirement funds. It shall be subject to withdrawal upon check signed by the executive secretary, director, or employee or other person appointed by the board. The revolving fund shall be considered funds of the city insofar as it is necessary to bring them within any bond or security furnished by such bank or trust company to protect the city against loss.

Sec. 48. Minnesota Statutes 1978, Section 422A.05, Subdivision 6, is amended to read:

Subd. 6. The board may, in carrying out the provisions of sections 422A.01 to 422A.25, establish special funds supplementing individual contributions by the employees and to receive, invest, and disburse for such purpose all moneys in the form of donations, gifts, legacies, bequests, or otherwise which may be contributed by private individuals or corporations or organizations for the benefit of the city employees generally, or any special employee or class of employees of the city purposes as it deems necessary.

Sec. 49. Minnesota Statutes 1978, Section 422A.06, Subdivision 1, is amended to read:

422A.06 [RETIREMENT FUND.] Subdivision 1. [CREATION; DIVISIONS OF FUND.] For the purposes of sections 422A.01 to 422A.25 there shall be a city municipal Minneapolis employees retirement fund, hereafter referred to as the retirement fund. The retirement fund shall be subdivided into (1) a deposit accumulation fund, (2) a participating share in the Minnesota adjustable fixed-benefit fund, (3) a survivor benefit fund, and (4) a disability benefit fund, and (5) a retirement benefit fund. Expense of administration of the retirement fund shall be paid from the deposit accumulation fund, less such the amount as the retirement board may charge against income from investments as the cost of handling the investments of the retirement fund.

Sec. 50. Minnesota Statutes 1978, Section 422A.06, Subdivision 3, is amended to read:

Subd. 3. [DEPOSIT ACCUMULATION FUND.] The deposit accumulation fund shall consist of the assets held in such fund, increased by amounts contributed by or for employees, amounts contributed by the city, amounts contributed by municipal activities supported in whole or in part by revenues other than taxes and amounts contributed by any public corporation, and by income from investments. There shall be paid from such the fund the amounts required to be transferred to the Minnesota adjustable fixed-benefit fund, retirement benefit fund, or the disability benefit fund, refunds of contributions, death benefits payable on death before retirement not payable from the survivors' benefit fund, retirement allowances granted pursuant to Laws 1965, Chapter 688, Laws 1969, Chapter 859, and expenses of administration.

Sec. 51. Minnesota Statutes 1978, Section 422A.06, Subdivision 4, is amended to read:

Subd. 4. [PARTICIPATION IN THE MINNESOTA ADJUSTABLE FIXED-BENEFIT FUND.] The ~~municipal~~ *Minneapolis* employees retirement fund shall participate in the Minnesota adjustable fixed-benefit fund *unless they elect to withdraw pursuant to section 422A.06, subdivision 8.* In that fund there shall be deposited the amounts provided in subdivision 5.

Sec. 52. Minnesota Statutes 1978, Section 422A.06, Subdivision 5, is amended to read:

Subd. 5. [VALUATION OF ASSETS; ADJUSTMENTS OF BENEFITS.] (a) For those members retiring pursuant to sections 422A.01 to 422A.25, assets equal to the required reserves as determined in accordance with a mortality table appropriate to the fund with an interest assumption of five percent, shall be transferred to the Minnesota adjustable fixed-benefit fund ~~or~~, the disability benefit funds as provided in subdivision 7, *or the retirement benefit fund* except for any amounts payable from the survivor benefit fund, as of date of retirement.

(b) Annuity payments shall be adjusted in accordance with the provisions of sections 422A.09 and 422A.15, except that no minimum retirement payments therein described shall include any amounts payable from the survivors' benefit fund or disability benefit fund and supplemented benefits specifically financed by statutes.

(c) Notwithstanding the provisions of section 356.18 increases in annuity payments pursuant to this section will be made automatically unless written notice on a form prescribed by the board is filed with the retirement board requesting that the increase shall not be made.

(d) All annuities payable from the Minnesota adjustable fixed-benefit fund which are in effect on June 30, 1973 shall be increased in the same ratio that the actuarially computed reserve for such annuities determined by using an interest assumption of 3½ percent bears to the actuarially computed reserve for such annuities determined by using an interest assumption of five percent. The reserves upon which such increases shall be based shall be the actuarially determined reserves for all Minnesota adjustable fixed-benefit fund annuities which were in effect on December 31, 1972, in accordance with the mortality assumptions then in effect and at interest assumptions of 3½ percent and five percent. ~~Such~~ *The* ratio of increase computed to the last full 1/100 of one percent shall be applied to all annuities payable from the Minnesota adjustable fixed-benefit fund which are in effect on June 30, 1973. Any additional annuity shall begin to accrue on July 1, 1973 and shall be considered as part of the base amount to be used in determining any increase which may become effective on January 1, 1974 under the provisions of section 11.25, subdivisions 12 and 13.

(e) All assets in the annuity stabilization reserve and suspense account shall be credited proportionately to the individual retirement funds' participation in the Minnesota adjustable fixed-bene-

fit fund. Effective January 1, 1974 each participating fund in the Minnesota adjustable fixed-benefit fund, except the municipal employees retirement fund, shall increase the benefits in effect on June 30, 1973 by an amount that when added to the increase granted to such benefits effective July 1, 1973, equals 20 percent. The increase shall apply to accrual of benefits commencing January 1, 1974 and shall be in lieu of the adjustment provided by *Minnesota Statutes, 1973 Supplement*, Section 11.25, Subdivisions 12 and 13 scheduled to take effect January 1, 1974. The municipal employees retirement fund of Minneapolis shall determine the increase if any in accrual of benefits commencing January 1, 1974, determined on the basis of its entire participation in the manner provided in *Minnesota Statutes, 1973 Supplement*, Section 11.25, Subdivisions 12 and 13 as amended by *Laws 1973, Chapter 7*.

(f) The actuary for each participating fund shall calculate the reserve required to support the benefits in effect on June 30, 1973 as increase July 1, 1973 and herein. As of December 31, 1973, each participating fund shall transfer to or from the Minnesota adjustable fixed-benefit fund assets so that its participation equals the total of such required reserves and the reserve for benefits authorized on or after July 1, 1973. The increased benefits accruing as of January 1, 1974 shall be considered the "originally determined benefits" for the purpose of future adjustments.

Sec. 53. *Minnesota Statutes 1978*, Section 422A.06, is amended by adding a subdivision to read:

Subd. 8. [RETIREMENT BENEFIT FUND.] The retirement benefit fund shall consist of amounts held for payment of retirement allowances for members retired pursuant to sections 422A.01 to 422A.25. For members retiring after June 30, 1980, assets equal to the required reserves pursuant to law shall be transferred from the deposit accumulation fund to the retirement benefit fund. All income from investments of these assets shall be allocated to this fund. There shall be paid from this fund all the retirement annuities authorized by law.

The state board of investment shall transfer the assets in the Minnesota adjustable fixed benefit fund belonging to the retired members of the Minneapolis employees retirement fund to the retirement board, for deposit in the retirement benefit fund. The assets of the retirement benefit fund shall be invested in the same manner as provided by law for the Minnesota adjustable fixed benefit fund.

Notwithstanding any law to the contrary, the transfer of assets from the adjustable fixed benefit fund to the retirement board will be based on the proportional share of required reserves of the Minnesota adjustable fixed benefit fund owned by Minneapolis retirement fund members on June 30, 1980, as determined by the actuary for the legislative commission on pensions and retirement. The Minneapolis municipal employees retirement fund shall reimburse the legislative commission on pensions and retirement for any expenses for actuarial services which it incurs by virtue of the services provided by its actuary as required by this section.

These expenses shall be paid by the fund upon certification of the required amount by the chairman of the commission. Special auditing and valuation expenses incurred by the state board of investment in connection with this transfer shall be paid by the Minneapolis employees retirement fund. The proportional share of reserves owned shall determine the proportional share of the market value of the Minnesota adjustable fixed benefit fund to be transferred.

As of June 30, 1980, the liability for the payment of all annuities to annuitants of the Minneapolis municipal employees retirement fund previously payable from the Minnesota adjustable fixed benefit fund shall be transferred to the retirement benefit fund of the Minneapolis municipal employees retirement fund and shall no longer be the liability of the Minnesota adjustable fixed benefit fund. The liability transferred shall be equal to the actuarially determined reserves of the Minneapolis municipal employees retirement fund in the Minnesota adjustable fixed benefit fund on June 30, 1980, as that term is defined in Minnesota Statutes 1978, Section 11.25, Subdivision 9. For purposes of accounting for the liability transferred from the Minnesota adjustable fixed benefit fund and for purposes of the calculation of any potential future post retirement adjustments, there shall be established in the retirement benefit fund an annuity stabilization reserve in order to eliminate any deficiency so that the assets of the retirement benefit fund will equal the actuarially determined reserves required to support the annuities being paid. Benefit increases and amortization of the annuity stabilization reserves will be in accordance with the methods provided for the Minnesota adjustable fixed benefit fund.

At the close of the business day on June 30, 1980, there shall be transferred to the retirement board title to no less than 90 percent of the total value of the estimated Minneapolis employees retirement fund participation. All market valuations shall be determined by a nationally recognized firm known to perform such evaluations mutually agreed upon by the investment board and retirement board. The transfer shall be in securities mutually agreeable to both parties and cash, representative of the portfolio composition on June 30, 1980, except funds paid after January 1, 1980, shall be transferred in cash. The remainder of the transfer shall be in cash with interest at the average rate earned on the Minnesota adjustable fixed benefit fund short term portfolio fund from June 30 to the date of transfer once the actuarial determination of the proportional share of reserves owned by the Minneapolis retirement fund is calculated by the actuary for the legislative commission on pensions and retirements.

The state auditor representing the Minneapolis employees retirement fund and the legislative auditor representing the investment board shall supervise the transfer to assure its fairness to the Minneapolis fund and the Minnesota adjustable fixed benefit fund.

The provisions of this subdivision shall not be implemented until the retirement board, by a majority vote of its members,

elects to establish a retirement benefit fund and implement the provisions of this subdivision. The election shall be made within 45 days after the effective date of this subdivision.

Sec. 54. Minnesota Statutes, 1979 Supplement, Section 422A.06, Subdivision 2, is amended to read:

Subd. 2. Prior to August 31 of each year the retirement board shall prepare an itemized statement of its financial requirements from tax revenue for the succeeding fiscal year. A copy of the statement shall be submitted to the board of estimate and taxation and to the city council prior to September 15 of each year. This statement shall include:

(1) An estimate of the administrative expense of the board less:

(a) Such amount as the board may charge against the interest income account of the fund as cost of handling the investment securities of the fund.

(b) The cost of handling the retirement benefits of any city-owned public utility, improvement project, or other municipal activities supported in whole or in part by revenues other than taxes.

(c) The cost of handling the retirement benefits of any public corporation and its employees who have availed themselves of the provisions of sections 422A.01 to 422A.25.

(2) An estimated amount not to exceed $7\frac{1}{4}$ percent of the salaries and wages of all employees covered by the retirement fund less any amounts contributed for current cost of future retirement benefits by any city-owned public utility, improvement project, other municipal activities supported in whole or in part by revenues other than taxes, or any public corporation.

(3) The estimated amount to meet the requirements of section 422A.06, subdivision 3, less any amounts contributed for this purpose by any city-owned public utility, improvement project, other municipal activities supported in whole or in part by revenues other than taxes, or any public corporation.

(4) The cost of all monthly survivor's benefits provided in section 422A.23 as an obligation of the city and any of its boards, departments, commission or public corporations as therein provided, less any amounts contributed for this purpose by any city-owned public utility, improvement project, other municipal activities supported in whole or in part by revenues other than taxes, or any public corporation.

(5) Such other levies and financing as are required by law.

(6) The total of items 1, 2, and 3 above shall be increased or decreased as the case may be by any deficiency or excess of the amount of tax revenue actually collected within the preceding fiscal year under or over the amount actually determined to meet the financial requirements of the fund for such year. In no event shall the amount requested for levy exceed the total of entry age

normal cost, less the amounts contributed by the employees, plus administrative expense, plus an amount necessary to amortize on a level annual dollar basis the principal amount of the actuarial deficit by the year 2017 using an interest rate of five percent, compounded annually, plus interest upon any deficiency from the previous year's levy at the rate of ~~four~~ six percent per annum. This limit does not apply to the requirements for survivors benefits provided in section 422A.23 nor to any levy which is administered by the retirement board pursuant to special act.

Sec. 55. Minnesota Statutes, 1979 Supplement, Section 422A.09, Subdivision 3, is amended to read:

Subd. 3. The exempt class shall consist of:

(1) Employees who are members of any other organization or association of the city on behalf of which a tax is levied by the city for the purpose of paying retirement allowances to disabled or superannuated employees.

(2) Persons filling elective position. Provided that any elective officer holding an elective city office, excepting judges of a municipal court, shall, upon written application to the retirement board, be entitled to become a member of the contributing class of the fund, and after becoming a contributor to the fund be entitled to all benefits conferred upon employees of the contributing class except retirement on a service allowance, which shall be granted only upon completion of ten or more years of service and attaining at least age 60.

All retirement allowances shall be computed and determined as provided herein, except that in determining the number of years of service, credit shall be given for time served as an elective officer or employee, or member of an executive board or commission or any combination thereof. Persons who have served in elective positions which qualified them for membership in the fund prior to July 1, 1967, and who immediately thereafter hold elective office, first being appointed to that elective office in Hennepin county in which they served as an elected official, may retain or resume membership in the fund as an elective officer of the county. The county shall collect and pay to the retirement fund the employee contribution. The employer cost of allowances and benefits credited to an elected officer as set forth above shall be paid from the county revenue fund by the proper county officials upon certification of such costs by the retirement board in the same manner as prescribed in section 422A.08 for the payment of costs by public corporations. A tax shall be levied by Hennepin county to defray the cost of such retirement allowances which may be in addition to all other taxes levied by the county. Before receiving a retirement allowance, or any other benefit, any person who claims credit for service under this section shall contribute to the fund an amount equal to the amount of contributions to the fund which such person would have made had he been a contributor to the fund since the date he first became eligible for membership in the fund, in accordance with the method of contribution herein provided for, plus ~~four~~ six percent compound interest.

(3) Persons serving without pay.

(4) Persons employed on a temporary basis, as doorkeepers, ticket takers, and attendants at the municipal auditorium, park recreation facilities, or like activities, employed less than 1000 hours, or its equivalent if employed on any other basis than an hourly basis, in any calendar year from January 1 to December 31, inclusive, provided that employees who are contributing members of the fund on July 1, 1959 shall not be affected by the exclusions contained in this section.

(5) A person who is exempted from the contributing class by Minnesota Statutes 1974, Section 422A.09, Subdivision 3, Clauses (4) and (5), but who is employed by and paid, in whole or in part, by the city or any of its boards, departments, or commissions, operated as a department of the city government or independently, if financed in whole or in part by city funds, including any person employed by a public corporation as herein defined, and including any person employed by the Minneapolis school district, each of whom is not a member of any other retirement system, who later becomes a contributing member of the fund may elect to qualify such time for credit by paying into the fund an amount equal to the amount of contributions to the fund which such person would have made had he been a contributor to the fund since the date he first qualified as an exempt member of the contributing class, in accordance with the method of contribution herein provided, plus four percent compound interest.

(6) Any person who is employed by the city or any of its boards, departments, commissions or a public corporation, as herein outlined, and is excluded from participation in the fund by paragraph (4) shall be separated from the service upon reaching the age of 70 regardless of the provisions of the veterans preference act.

(7) Any person who is employed in subsidized on-the-job training, work experience or public service employment as an enrollee under the federal comprehensive employment and training act from and after March 30, 1978, unless the city council of the city of Minneapolis specifies that the person is to be considered as a provisional member of the retirement fund pursuant to section 356.451 or unless the person has as of the later of March 30, 1978 or the date of employment sufficient service credit in the retirement fund to meet the minimum vesting requirements for a deferred retirement annuity, or the employer agrees in writing to make the required employer contributions, including any employer additional contributions, on account of that person from revenue sources other than funds provided under the federal comprehensive training and employment act, or the person agrees in writing to make the required employer contribution in addition to the required employee contribution.

Sec. 56. Minnesota Statutes 1978, Section 462.631, Subdivision 1, is amended to read:

462.631 [APPROVED MORTGAGES, BOND ISSUE; LIMITATIONS, PROVISIONS.] Subdivision 1. Any redevelopment

company, subject to the approval of the state housing commission, may borrow funds and secure the repayment thereof by bond and mortgage or by an issue of bonds under a trust indenture. Each mortgage or issue of bonds of a redevelopment company shall relate only to a single specified project and to no other, and those bonds shall be secured by mortgage upon all of the real property of which ~~such~~ *the* project consists. First lien bonds of a redevelopment company, when secured by a mortgage not exceeding 80 percent of the estimated cost prior to the completion of the project, or 80 percent of the appraised value or actual cost, but in no event in excess of 80 percent of the actual cost, after that completion, as certified by the state housing commission, are hereby declared securities in which all public officers and bodies of the state and of its municipal subdivisions, *including the state board if the bonds meet the requirements of section 22, subdivision 2*, all insurance companies and associations, all savings banks and savings institutions, including savings, building and loan associations, executors, administrators, guardians, trustees, and all other fiduciaries in the state may properly and legally invest the funds within their control. The bonds so issued and secured and the mortgage or trust indenture relating thereto may create a first or senior lien and a second or junior lien upon the real property embraced in any project; provided, however, that the total mortgage liens shall not exceed 80 percent of the estimated cost prior to the completion of the project, or 80 percent of the appraised value or actual cost, but in no event in excess of 80 percent of the actual cost after that completion, as certified by the state housing commission; and provided further that, where there are first and second mortgage liens upon the property embraced in a project, only the first or senior lien thereon shall be deemed a security in which ~~such~~ *the* officers, bodies, corporations, associations, and fiduciaries may invest the funds within their control. ~~Such~~ *The* bonds and mortgages may contain ~~such~~ other clauses and provisions as shall be approved by the state housing commission, including the right to assignment of rents and entry into possession in case of default; but the operation of the housing project in the event of such entry by mortgagee or receiver shall be subject to regulations promulgated by the state housing commission. Provisions for the amortization of the bonded indebtedness of companies formed under sections 462.415 to 462.711 shall be subject to the approval of the state housing commission. So long as funds made available by the federal government or any instrumentality thereof or any mortgage or mortgage bonds insured by the federal housing administrator or any other instrumentality of the federal government are used in financing, in whole or in part, any project under sections 462.415 to 462.711, the capital structure or a redevelopment company undertaking such project and the proportionate amount of the cost of the lands and improvements to be represented by mortgages or bonds shall be entirely in the discretion of the housing commission; and all restrictions as to the amounts to be represented by mortgages, mortgage bonds, income debenture, or stock shall be inapplicable to ~~such~~ *the* projects or to redevelopment companies undertaking ~~such~~ *the* projects, except that the bonds, mortgages, debentures, and stock covering any project shall not

exceed the total actual final cost of such the project as defined in section 462.635, clause 2.

Interest rates on mortgage indebtedness shall not exceed five percent per annum.

Sec. 57. Minnesota Statutes 1978, Section 475.73, Subdivision 1, is amended to read:

475.73 [STATE BOARD.] Subdivision 1. Obligations sold under the provisions of section 475.60 may be purchased by the state board of investment if the obligations meet the requirements of section 22, subdivision 2, upon the approval of the Attorney General as to form and execution of the application therefor, and under such rules and regulations as the board may specify, and the state board of investment shall have authority to purchase the same to an amount not exceeding 15 percent of the assessed valuation of the taxable property of such the municipality, according to the last preceding assessment. Such The obligations shall not run for a shorter period than one year, nor for a longer period than 30 years and shall bear interest at a rate to be fixed by the state board of investment but not less than two percent per annum. Forthwith upon the delivery to the state of Minnesota of any obligations issued by virtue thereof, the commissioner of finance shall certify to the respective auditors of the various counties wherein are situated the municipalities issuing the same, the number, denomination, amount, rate of interest and date of maturity of each such obligation.

Sec. 58. [INSTRUCTIONS TO THE REVISOR.] Subdivision 1. In the next or subsequent edition of Minnesota Statutes, the revisor of statutes shall substitute the term "executive director" for the term "executive secretary" wherever that term appears in reference to the state board of investment, shall substitute the term "Minnesota supplemental retirement investment fund" for the term "Minnesota supplemental retirement fund" wherever that term appears, and shall substitute the term "Minnesota variable annuity investment fund" for the term "Minnesota variable annuity fund" wherever that term appears.

Subd. 2. In the next and subsequent editions of Minnesota Statutes, the revisor of statutes shall substitute wherever the amount "four percent interest" appears in reference to the Minneapolis employees retirement fund the amount "six percent interest".

Subd. 3. In the next and subsequent editions of Minnesota Statutes, the revisor of statutes shall substitute "director" or "executive director" for "secretary" or "executive secretary" in chapter 422A.

Subd. 4. In the next or subsequent edition of the Minnesota Statutes, the revisor of statutes shall substitute wherever the term "Minnesota adjustable fixed benefit fund" appears in reference to the state board of investment, the term "Minnesota post-retirement investment fund."

Sec. 59. [INSTRUCTION TO REVISOR.] *In the next and subsequent editions of Minnesota Statutes, the revisor of statutes shall in each section referred to in column A, strike the reference referred to in column B and insert the reference set forth in column C:*

<i>column A</i>	<i>column B</i>	<i>column C</i>
<i>Minnesota Statutes 1978</i>	<i>Minnesota Statutes 1978</i>	
<i>Section 3A.11, Subdivisions 1 and 2</i>	<i>Section 11.25</i>	<i>Section 11A.16</i>
<i>Section 60B.25 (16)</i>	<i>Chapter 11</i>	<i>Section 11A.22</i>
<i>Section 82.34, Subdivision 5</i>	<i>Section 11.16</i>	<i>Section 11A.22</i>
<i>Section 137.022</i>	<i>Section 11.25, Subdivision 2</i>	<i>Section 11A.22</i>
<i>Section 137.022</i>	<i>Section 11.015, Subdivision 7</i>	<i>Section 11A.14, Subdivision 5</i>
<i>Section 137.022</i>	<i>Section 11.16, Subdivision 17</i>	<i>Section 11A.10, Subdivision 2</i>
<i>Section 137.025</i>	<i>Section 11.10</i>	<i>Section 11A.23</i>
<i>Section 161.04, Subdivision 2</i>	<i>Chapter 11</i>	<i>Section 11A.19</i>
<i>Section 162.16</i>	<i>Chapter 11</i>	<i>Section 11A.19</i>
<i>Section 198.265</i>	<i>Section 11.17</i>	<i>Section 11A.19</i>
<i>Section 222.59</i>	<i>Section 11.10</i>	<i>Section 11A.23</i>
<i>Section 352.04, Subdivision 12</i>	<i>Section 11.25</i>	<i>Section 11A.16</i>
<i>Section 352.061</i>	<i>Section 11.25</i>	<i>Section 11A.16</i>
<i>Section 352.061</i>	<i>Chapter 11</i>	<i>Section 11A.22</i>
<i>Section 352.119, Subdivision 2 (2)</i>	<i>Section 11.25, Subdivisions 12 and 13</i>	<i>Section 11A.16,</i>
<i>Section 352.93, Subdivision 3</i>	<i>Section 11.25</i>	<i>Section 11A.16</i>
<i>Section 352.96, Subdivision 2 (a)</i>	<i>Section 11.18</i>	<i>Section 11A.15</i>
<i>Section 352B.26, Subdivision 3 (3)</i>	<i>Section 11.25, Subdivisions 12 and 13</i>	<i>Section 11A.16,</i>
<i>Section 352D.015, Subdivision 3</i>	<i>Sections 11.18 to 11.24</i>	<i>Section 11A.15</i>
<i>Section 352D.03</i>	<i>Section 11.18</i>	<i>Section 11A.15</i>
<i>Section 353.06</i>	<i>Section 11.25</i>	<i>Section 11A.16</i>
<i>Section 353.271,</i>	<i>Section 11.25,</i>	<i>Section 11A.16,</i>

<i>Subdivision 2(2)</i>	<i>Subdivisions 12 and 13</i>	
<i>Section 354.05, Subdivision 23</i>	<i>Section 11.26</i>	<i>Section 11A.17</i>
<i>Section 354.05, Subdivision 26</i>	<i>Section 11.25, Subdivision 12</i>	<i>Section 11A.16,</i>
<i>Section 354.62, Subdivision 4(3)</i>	<i>Section 11.26, Subdivision 7</i>	<i>Section 11A.17, Subdivision 8</i>
<i>Section 354.63, Subdivision 2(2)</i>	<i>Section 11.25, Subdivisions 12 and 13</i>	<i>Section 11A.16,</i>
<i>Section 356.39</i>	<i>Section 11.25</i>	<i>Section 11A.16</i>
<i>Section 360.017, Subdivision 2</i>	<i>Section 11.01</i>	<i>Section 11A.23</i>
<i>Section 422A.18, Subdivision 2</i>	<i>Section 11.25, Subdivision 12</i>	<i>Section 11A.16,</i>
<i>Section 422A.23, Subdivision 10</i>	<i>Section 11.25, Subdivision 12</i>	<i>Section 11A.16,</i>
<i>Section 490.123, Subdivision 3</i>	<i>Section 11.25</i>	<i>Section 11A.16</i>
<i>Section 490.123, Subdivision 3</i>	<i>Chapter 11</i>	<i>Section 11A.22</i>
<i>Section 525.161</i>	<i>Section 11.08</i>	<i>Section 11A.04 (8)</i>
<i>Section 525.841</i>	<i>Section 11.08</i>	<i>Sections 11A.04 (8) and 11A.08, Subdivision 2</i>
<i>Minnesota Statutes, 1979 Supplement</i>	<i>Minnesota Statutes 1978</i>	
<i>Section 299B.17, Subdivision 7</i>	<i>Section 11.10</i>	<i>Section 11A.23</i>

Sec. 60. [TEMPORARY PROVISION.] *Portfolio securities held by the state board of investment or the retirement board of the Minneapolis employees retirement fund which met statutory criteria at the time of purchase but which became non-conforming as a result of the passage of this act may be retained.*

Sec. 61. [REPEALER.] *Minnesota Statutes 1978, Sections 11.01; 11.015; 11.04; 11.05; 11.06; 11.08; 11.10; 11.11; 11.115; 11.117, Subdivisions 1, 2, 3, 5, and 7; 11.12; 11.13; 11.14; 11.15; 11.16; 11.17; 11.18; 11.19; 11.20; 11.21; 11.22; 11.23; 11.24; 11.25; 11.26; 11.27; 11.28; 360.303; 422A.05, Subdivisions 2 and 4; 422A.07; 458.53; and Minnesota Statutes, 1979 Supplement, Sections 11.117, Subdivisions 4 and 6; 11.118; and 11.145 are repealed.*

Sec. 62. [EFFECTIVE DATE.] *This act is effective the day following enactment."*

Delete the title and insert:

"A bill for an act relating to state government; recodifying the laws governing the state board of investment; providing for the appointment of an executive director and detailing his duties and powers; defining terms; establishing standards for the investment of state and pension assets; prescribing duties for the Minneapolis employees retirement board; providing standards for investment; amending Minnesota Statutes 1978, Sections 69.77, Subdivision 2, as amended; 69.775; 124.46, Subdivision 4; 167.42; 167.50, Subdivision 2; 193.146, Subdivision 4; 352.75, Subdivision 3; 352B.26, Subdivision 3; 353.661, Subdivision 3; 422A.02; 422A.03, Subdivisions 3 and 5; 422A.05, Subdivisions 1, 3, 5, and 6, and by adding subdivisions; 422A.06, Subdivisions 1, 3, 4, and 5, and by adding a subdivision; 462.631, Subdivision 1; 475.73, Subdivision 1; and Minnesota Statutes, 1979 Supplement, Sections 15A.081, Subdivision 1; 43.064; 353.023; 422A.03, Subdivisions 1 and 2; 422A.08, Subdivision 2; and 422A.09, Subdivision 3; repealing Minnesota Statutes 1978, Sections 11.01 to 11.115; 11.117, Subdivisions 1, 2, 3, 5, and 7; 11.12 to 11.14; 11.15 to 11.28; 360.303; 422A.05, Subdivisions 2 and 4; 422A.07; 458.53; and Minnesota Statutes, 1979 Supplement, Sections 11.117, Subdivisions 4 and 6; 11.118; and 11.145."

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

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

S. F. No. 2149: A bill for an act relating to juveniles; amending criteria for reference to adult court; amending Minnesota Statutes 1978, Section 260.125, Subdivision 2.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1978, Section 257.071, Subdivision 1, is amended to read:

257.071 [CHILDREN IN FOSTER HOMES; PLACEMENT; REVIEW.] Subdivision 1. [PLACEMENT; PLAN.] A case plan shall be prepared within 30 days after any child is placed in a foster home residential facility by court order or by the voluntary release of the child by his parent or parents. By July 1, 1979, a case plan shall be prepared for each child who was residing in a foster home on July 1, 1978 and who has not been returned to the home of his parent or parents.

For purposes of this section, a residential facility means any group home, family foster home or other publicly supported out-of-home residential facility, including any out-of-home residential

facility under contract with the state, county or other political subdivision, or any agency thereof, to provide those services.

For the purposes of this section, a case plan means a written document which is ordered by the court or which is prepared by the social service agency responsible for the ~~foster home residential facility~~ placement and is signed by the parent or parents, or other custodian, of the child, the child's legal guardian, the social service agency responsible for the ~~foster home residential facility~~ placement, and, if possible, the child. The document shall be explained to all persons involved in its implementation, including the child who has signed the document, and shall set forth:

(1) The specific reasons for the placement of the child in a ~~foster home residential facility~~, including a description of the problems or conditions in the home of the parent or parents which necessitated removal of the child from his home;

(2) The specific actions to be taken by the parent or parents of the child to eliminate or correct the problems or conditions identified in clause (1), and the time period during which the actions are to be taken;

(3) The financial responsibilities and obligations, if any, of the parents for the support of the child during the period the child is in the ~~foster home residential facility~~;

(4) The visitation rights and obligations of the parent or parents during the period the child is in the ~~foster home residential facility~~;

(5) The social and other supportive services to be provided to the parent or parents of the child, the child, and the ~~foster parents residential facility~~ during the period the child is in the ~~foster home residential facility~~;

(6) The date on which the child is expected to be returned to the home of his parent or parents;

(7) The nature of the effort to be made by the social service agency responsible for the placement to reunite the family; and

(8) Notice to the parent or parents that placement of the child in foster care may result in termination of parental rights but only after notice and a hearing as provided in chapter 260.

The parent or parents and the child *each* shall have the right to legal counsel in the preparation of the case plan *and shall be informed of the right at the time of placement of the child. The child shall also have the right to a guardian ad litem.* If unable to employ counsel from their own resources, the court shall appoint counsel upon the request of the parent or parents or the child or his legal guardian. The parent or parents may also receive assistance from any person or social service agency in preparation of the case plan.

After the plan has been agreed upon by the parties involved, the foster parents shall be fully informed of the provisions of the case plan.

Sec. 2. Minnesota Statutes 1978, Section 260.011, Subdivision 2, is amended to read:

Subd. 2. The purpose of the laws relating to juvenile courts is to secure for each ~~minor child alleged or adjudicated neglected or dependent~~ and under the jurisdiction of the court, the care and guidance, preferably in his own home, as will serve the spiritual, emotional, mental, and physical welfare of the ~~minor child~~ and the best interests of the state; to preserve and strengthen the ~~minor's child's~~ family ties whenever possible, removing him from the custody of his parents only when his welfare or safety and protection of the public cannot be adequately safeguarded without removal; and, when the ~~minor child~~ is removed from his own family, to secure for him custody, care and discipline as nearly as possible equivalent to that which should have been given by his parents.

The purpose of the laws relating to children alleged or adjudicated to be delinquent is to promote the public safety and reduce juvenile delinquency by maintaining the integrity of the substantive law prohibiting certain behavior and by developing individual responsibility for lawful behavior. This purpose should be pursued through means that are fair and just, that recognize the unique characteristics and needs of children, and that give children access to opportunities for personal and social growth.

The laws relating to juvenile courts shall be liberally construed to carry out these purposes.

Sec. 3. Minnesota Statutes 1978, Section 260.015, Subdivision 5, is amended to read:

Subd. 5. "Delinquent child" means a child:

(a) who has violated any state or local law or ordinance, *except section 120.10 and except as described in clause (c) of this subdivision and as provided in section 260.193, subdivision 1; or*

(b) Who has violated a federal law or a law of another state and whose case has been referred to the juvenile court; or

~~(c) Who is habitually truant from school; or~~

~~(d) Who is uncontrolled by his parent, guardian, or other custodian by reason of being wayward or habitually disobedient (c) Who has violated any federal, state or local law or ordinance for contempt by reason of violation of a court order issued in connection with an allegation or adjudication of dependency as defined in section 260.015, subdivision 6, clause (e) or (f).~~

Sec. 4. Minnesota Statutes 1978, Section 260.015, Subdivision 6, is amended to read:

Subd. 6. "Dependent child" means a child:

(a) Who is without a parent, guardian, or other custodian; or

(b) Who is in need of special care and treatment required by his physical or mental condition and whose parent, guardian, or other custodian is unable to provide it; or

(c) Whose parent, guardian, or other custodian for good cause desires to be relieved of his care and custody; or

(d) Who is without proper parental care because of the emotional, mental, or physical disability, or state of immaturity of his parent, guardian, or other custodian; or

(e) Who is uncontrolled by his parent, guardian or other custodian by reason of being wayward or habitually disobedient; or

(f) Who is habitually truant from school.

Sec. 5. Minnesota Statutes 1978, Section 260.031, Subdivision 4, is amended to read:

Subd. 4. The minor and his parents, guardians, or custodians are entitled to a *de novo* hearing by the judge of the juvenile court if, within three days after receiving notice of the findings of the referee, they file a request with the court for a hearing. The court may allow such order a *de novo* hearing at any time.

Sec. 6. Minnesota Statutes 1978, Section 260.111, Subdivision 1, is amended to read:

260.111 [JURISDICTION.] Subdivision 1. [CHILDREN WHO ARE DELINQUENT, NEGLECTED, DEPENDENT OR NEGLECTED AND IN FOSTER CARE.] Except as provided in section sections 260.125 and 260.193, the juvenile court has original and exclusive jurisdiction in proceedings concerning any child who is alleged to be delinquent, a juvenile traffic offender, neglected, neglected and in foster care, or dependent, and in proceedings concerning any minor alleged to have been a delinquent or a juvenile traffic offender prior to having become eighteen years of age. The juvenile court shall deal with such a minor as it deals with any other child who is alleged to be delinquent or a juvenile traffic offender.

Sec. 7. Minnesota Statutes 1978, Section 260.115, Subdivision 1, is amended to read:

260.115 [TRANSFERS FROM OTHER COURTS.] Subdivision 1. Except where a juvenile court has referred an alleged violation to a prosecuting authority in accordance with the provisions of section 260.125 or to a court in accordance with the provisions of section 260.193 has original jurisdiction of a child who has committed a minor traffic offense, as defined in section 260.193, subdivision 1, clause (c), a court other than a juvenile court shall immediately transfer to the juvenile court of the county the case of a minor who appears before the court on a charge of violating any state or local law or ordinance and who is under 18 years of age or who was under 18 years of age at the time of the commission of the alleged offense.

Sec. 8. Minnesota Statutes 1978, Section 260.121, Subdivision 3, is amended to read:

Subd. 3. *Except when a child is alleged to have committed a minor traffic offense, as defined in section 260.193, subdivision 1,*

clause (c), if it appears at any stage of the proceeding that a child before the court is a resident of another state, the court may invoke the provisions of the interstate compact on juveniles or, if it is in the best interests of the child or the public to do so, the court may place the child in the custody of his parent, guardian, or custodian, if the parent, guardian, or custodian agree to accept custody of the child and return him to their state.

Sec. 9. Minnesota Statutes 1978, Section 260.125, is amended to read:

260.125 [REFERENCE FOR PROSECUTION.] Subdivision 1. When a child is alleged to have violated a state or local law or ordinance after becoming 14 years of age the juvenile court may enter an order referring the alleged violation to the appropriate prosecuting authority for action under laws in force governing the commission of and punishment for violations of statutes or local laws or ordinances. *At least ten but not more than 90 days following entry of the order*, the prosecuting authority to whom *such the* matter is referred shall *within the time specified in such order of reference, which time shall not exceed 90 days*, file with the court making *such the* order of reference notice of intent to prosecute or not to prosecute. If *such the* prosecuting authority files notice of intent not to prosecute or fails to act within the time specified, the court shall proceed as if no order of reference had been made. If *such the* prosecuting authority files with the court notice of intent to prosecute the jurisdiction of the juvenile court in the matter is terminated.

Subd. 2. The juvenile court may order a reference only if:

(a) A petition has been filed in accordance with the provisions of section 260.131;

(b) Notice has been given in accordance with the provisions of sections 260.135 and 260.141;

(c) A hearing has been held in accordance with the provisions of section 260.155, *within 30 days after the notice of intent to prosecute*; and

(d) The court finds that *the child is not suitable to treatment or that the public safety is not served under the provisions of laws relating to juvenile courts there is probable cause, as defined by the rules of criminal procedure promulgated pursuant to section 480.059, to believe the child has committed the offense charged and*:

(1) *Past rehabilitative efforts have failed and the child is unable to demonstrate by a preponderance of the evidence that there is a reasonable likelihood that a specific rehabilitative program will eliminate further delinquent acts by the child; or*

(2) *The prosecuting authority has demonstrated by clear and convincing evidence that the public safety would not be served under the provisions of laws relating to juvenile courts; or*

(3) *The offense charged is an aggravated felony against the*

person and is alleged to have been committed under circumstances that warrant punishment and deterrence in addition to rehabilitation as appropriate responses to the offense, as demonstrated by the prosecuting authority by clear and convincing evidence.

For the purposes of this subdivision, "aggravated felony against the person" means a violation of any of the following provisions, or any attempt, as defined by section 609.17, to violate any of the following provisions: sections 609.185; 609.19; 609.195; 609.20, subdivisions 1 or 2; 609.221; 609.222; 609.223; 609.245; 609.25; 609.342; 609.343; 609.344, clauses (c) or (d); 609.345, clauses (c) or (d); 609.561; 609.58, subdivision 2, clause (b), or 609.713.

Subd. 3. A prima facie case that the public safety would not be served, as required by subdivision 2, clause (2), shall have been established if the child is at least 16 years of age and:

(1) Is charged with murder in the first degree and has been adjudicated delinquent for an offense committed within the preceding 24 months, which offense would be a felony if committed by an adult; or

(2) Has been adjudicated delinquent for an offense committed within the preceding 24 months, which offense would be a felony if committed by an adult, and is charged with murder in the second or third degree, manslaughter in the first degree, criminal sexual conduct in the first degree or assault in the first degree; or

(3) Has been adjudicated delinquent for two offenses, not in the same behavioral incident, which offenses were committed within the preceding 24 months and which would be felonies if committed by an adult, and is charged with manslaughter in the second degree, kidnapping, criminal sexual conduct in the second degree, arson in the first degree, aggravated robbery, or assault in the second degree; or

(4) Has been previously adjudicated delinquent for three offenses, none of which offenses were committed in the same behavioral incident, which offenses were committed within the preceding 24 months and which offenses would be felonies if committed by an adult, and is charged with any felony other than those described in clauses (1), (2) or (3).

Subd. 3. 4. When the juvenile court enters an order referring an alleged violation to a prosecuting authority, the prosecuting authority shall proceed with the case as if the jurisdiction of the juvenile court had never attached.

Sec. 10. Minnesota Statutes 1978, Section 260.135, Subdivision 1, is amended to read:

260.135 [SUMMONS; NOTICE.] Subdivision 1. After a petition has been filed and unless the parties hereinafter named voluntarily appear, the court shall set a time for a hearing and shall issue a summons requiring the person who has custody or control of the minor child to appear with the minor child before the court at a time and place stated. The summons shall recite briefly the sub-

stance of the petition or shall be attached to have a copy of the petition attached, and shall advise the parties of the right to counsel and of the consequences of failure to obey the summons.

Sec. 11. Minnesota Statutes 1978, Section 260.135, Subdivision 2, is amended to read:

Subd. 2. The court shall have notice of the pendency of the case and of the time and place of the hearing served upon *the parents a parent, guardians guardian, or spouse of a legitimate minor or the mother, guardian, or spouse of an illegitimate minor the child, if they are not who has not been summoned* as provided in subdivision 1.

Sec. 12. Minnesota Statutes 1978, Section 260.135, Subdivision 5, is amended to read:

Subd. 5. If it appears from the petition or by separate sworn affidavit of a person having knowledge of the fact that the minor is in such condition or surroundings that his *that there is probable cause for the issuance of a warrant for arrest or that there are reasonable grounds to believe the child is dependent and the child's health, safety or welfare* requires that his custody be immediately assumed by the court, the court may order, by endorsement upon the summons, that the officer serving the summons shall take the *minor child into immediate custody at once.*

Sec. 13. Minnesota Statutes 1978, Section 260.141, Subdivision 1, is amended to read:

260.141 [SERVICE OF SUMMONS, NOTICE.] Subdivision 1. (a) Service of summons of notice required by section 260.135 shall be made *upon the person having custody or control of the child and upon the child, if he is more than 12 years of age, in the same manner in which personal service of summons in civil actions is made. Personal service shall be effected at least 24 hours before the time of the hearing; however, it shall be sufficient to confer jurisdiction if service is made at any time before the day fixed in the summons or notice for the hearing, except that the court, if so requested, shall not proceed with the hearing earlier than the second day after the service. If personal service cannot well be made within the state, a copy of the summons or notice may be served on the person to whom it is directed by delivering a copy thereof to such person personally outside the state. Such service if made personally outside the state shall be sufficient to confer jurisdiction; providing however it be made at least five days before the date fixed for hearing in such summons or notice.*

(b) If the court is satisfied that personal service of the summons or notice cannot well be made, it shall make an order providing for the service of summons or notice by certified mail addressed to the last known addresses of such persons, and by one weeks published notice as provided in section 645.11. A copy of the notice shall be sent by certified mail at least five days before the time of the hearing or 14 days if mailed to addresses outside the state.

(c) Notification to the county welfare board required by section 260.135, subdivision 3, shall be in such manner as the court may direct.

Sec. 14. Minnesota Statutes 1978, Section 260.155, Subdivision 1, is amended to read:

260.155 [HEARING.] Subdivision 1. [GENERAL.] Except for hearings arising under section 260.261, hearings on any matter shall be without a jury and may be conducted in an informal manner. *The rules of evidence promulgated pursuant to section 480.0591 and the law of evidence shall apply in proceedings involving a child alleged to be delinquent, including hearings conducted pursuant to section 260.125 but excluding dispositional hearings, except to the extent that the rules themselves provide that they do not apply.* Hearings may be continued or adjourned from time to time and, in the interim, the court may make such orders as it deems in the best interests of the minor in accordance with the provisions of sections 260.011 to 260.301. *Hearings involving a child alleged or determined to be delinquent shall be open to the public unless, upon motion of the prosecuting authority or any party to the proceedings, the court finds it to be in the best interests of the child that the hearings be closed. If the court orders a hearing to be closed, the general public shall not be permitted to attend and the court shall admit only those persons who, in the discretion of the court, have a direct interest in the case or in the work of the court. In no event may the court exclude a person directly damaged in person or property as a result of the offense alleged in the case and that person shall be entitled to receive prior notice of all proceedings in the case. The court shall exclude the general public from those hearings involving a child alleged or determined to be neglected or dependent and shall admit only those persons who, in the discretion of the court, have a direct interest in the case or in the work of the court. Adoption hearings shall be conducted in accordance with the provisions of laws relating to adoptions.*

Sec. 15. Minnesota Statutes 1978, Section 260.155, Subdivision 2, is amended to read:

Subd. 2. [APPOINTMENT OF COUNSEL.] The minor, parent, guardian or custodian have the right to *effective assistance of counsel*. If they desire counsel but are unable to employ it, the court shall appoint counsel to represent the minor or his parents or guardian in any other case in which it feels that such an appointment is desirable.

Sec. 16. Minnesota Statutes 1978, Section 260.155, Subdivision 4, is amended to read:

Subd. 4. [GUARDIAN AD LITEM.] (a) The court shall appoint a guardian ad litem to protect the interests of the minor when it appears, at any stage of the proceedings, that the minor is without a parent or guardian, or that his parent is a minor or incompetent, or that his parent or guardian is indifferent or hostile

to the minor's interests, and in every proceeding alleging neglect or dependency. In any other case the court may appoint a guardian ad litem to protect the interests of the minor when the court feels that such an appointment is desirable. The court shall appoint the guardian ad litem on its own motion or in the manner provided for the appointment of a guardian ad litem in the district court.

(b) The court may waive the appointment of a guardian ad litem pursuant to clause (a), whenever counsel has been appointed pursuant to subdivision 2 or is retained otherwise, and the court is satisfied that the interests of the minor are protected.

(c) In appointing a guardian ad litem pursuant to clause (a), if the court finds that it is not in the best interests of the child, the court shall not appoint the party, or any agent or employee thereof, filing a petition pursuant to section 260.131.

Sec. 17. Minnesota Statutes 1978, Section 260.155, is amended by adding a subdivision to read:

Subd. 8. [WAIVER.] Waiver of any right which a child has under this chapter must be an express waiver intelligently made by the child after the child has been fully and effectively informed of the right being waived. If a child is under 12 years of age, the child's parent, guardian or custodian shall give any waiver or offer any objection contemplated by this chapter.

Sec. 18. Minnesota Statutes 1978, Section 260.161, Subdivision 1, is amended to read:

260.161 [RECORDS.] Subdivision 1. The juvenile court judge shall keep such minutes and in such manner as he deems necessary and proper. *The court shall keep and maintain records pertaining to delinquency adjudications until the person reaches the age of 23 years and shall release the records on an individual to a requesting adult court for purposes of sentencing. All records pertaining to delinquency adjudications shall be expunged when the person reaches the age of 23 years. Adjudications so expunged shall not be considered thereafter by a court for any purpose whatsoever nor shall they create any other disability.* The court shall also keep an index in which files pertaining to juvenile matters shall be indexed under the name of the juvenile. After the name of each file shall be shown the file number and, if ordered by the court, the book and page of the register in which the documents pertaining to such file are listed. The court shall also keep a register properly indexed in which shall be listed under the name of the juvenile all documents filed pertaining thereto and in the order filed. ~~Such~~ *The list shall show the name of the document and the date of filing thereof.* The juvenile court legal records shall be deposited in files and shall include the petition, summons, notice, findings, orders, decrees, judgments, and motions and such other matters as the court deems necessary and proper. The legal records maintained in this file shall be open at all reasonable times to the inspection of any minor to whom the records relate, and to his parent and guardian.

Sec. 19. Minnesota Statutes 1978, Section 260.173, Subdivision 2, is amended to read:

Subd. 2. Notwithstanding the provisions of subdivision 1, if the child had been taken into custody pursuant to section 260.165, subdivision 1, clause (a), ~~or had been found in surroundings or conditions reasonably believed to endanger his health or welfare~~ (c) (1) or (c) (2), and is not alleged to be delinquent, he may be detained only in a shelter care facility.

Sec. 20. Minnesota Statutes 1978, Section 260.173, Subdivision 3, is amended to read:

Subd. 3. If the child had been taken into custody and detained as one who is alleged to be delinquent by reason of:

~~(a) Being uncontrolled by his parent, guardian, or other custodian because of waywardness or habitual disobedience; or~~

~~(b) (a)~~ Having committed an offense which would not constitute a violation of a state law or local ordinance if he were an adult; or

~~(c) (b)~~ Having been previously adjudicated delinquent, or conditionally released by the juvenile court without adjudication of delinquency, has violated his probation, parole, or other field supervision under which he had been placed as a result of behavior described in this subdivision; or

(c) Having violated a federal, state or local ordinance as described in section 260.015, subdivision 5, clause (c); he may be placed only in a shelter care facility.

Sec. 21. Minnesota Statutes 1978, Section 260.181, Subdivision 4, is amended to read:

Subd. 4. [TERMINATION OF JURISDICTION.] The court may dismiss the petition or otherwise terminate its jurisdiction or its own motion or on the motion or petition of any interested party at any time. Unless terminated by the court, the jurisdiction of the court shall continue until the individual becomes ~~21~~ 19 years of age if the court determines it is in the best interest of the individual to do so.

Sec. 22. Minnesota Statutes 1978, 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 (e) and (d)~~ clause (c), 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 and licensed pursuant to section 241.021;

(d) Except for children found to be delinquent as defined in section 260.015, subdivision 5, ~~clauses (e) and (d)~~ clause (c), 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) *Require the child to pay a fine of up to \$500; the court shall order payment of the fine in accordance with a time payment schedule which shall not impose an undue financial hardship on the child;*

(g) *If the child has failed to comply with a dispositional order of the court, the court may order that the child be placed in a secure facility for a specified period of time not to exceed 30 days; a child placed in a secure facility pursuant to this clause for a period exceeding eight days shall have his case reviewed by the court entering the order at the end of every eight days of placement to determine if continued placement in the facility up to the expiration of the specified period is warranted;*

~~(f)~~(h) 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)~~ (i) 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 disposition were not appropriate in the instant case.

~~This subdivision applies to dispositions of juveniles found to be delinquent as defined in section 260.015, subdivision 5, clause (c) or (d) made prior to, on, or after January 1, 1978.~~

Sec. 23. Minnesota Statutes, 1978, Section 260.185, is amended by adding a subdivision to read:

Subd. 1a. [DISPOSITIONAL HEARING.] Whenever a juvenile is adjudicated a delinquent because of a violation of a statute, the court, upon motion of either the delinquent child or the state, shall hold a dispositional hearing. The hearing shall be scheduled so that the parties have adequate time to prepare and present arguments regarding the issue of disposition. The parties may submit written arguments to the court prior to the date of the hearing and may make oral arguments before the court at the dispositional hearing. Prior to the hearing, the court shall transmit to the delinquent child or his attorney and the prosecuting attorney copies of the predisposition investigation report.

At the conclusion of the dispositional hearing or within 20 days thereafter, the court shall issue written findings of fact and conclusions of law regarding the issues submitted by the parties, and shall enter an appropriate order.

Sec. 24. Minnesota Statutes 1978, Section 260.185, is amended by adding a subdivision to read:

Subd. 1b. [DEVIATION FROM GUIDELINES.] Whether or not a dispositional hearing is requested pursuant to subdivision 1a, the juvenile court shall make written findings of fact as to the reasons for departure from the dispositional guidelines promulgated pursuant to section 26 in each case in which the court orders a disposition that deviates from the dispositional guidelines applicable to the case.

Sec. 25. Minnesota Statutes 1978, Section 260.185, is amended by adding a subdivision to read:

Subd. 1c. [APPELLATE REVIEW OF DISPOSITION.] An

appeal to the supreme court may be taken by the delinquent child or the state from any disposition ordered by the juvenile court in Hennepin or Ramsey County, or to the district court first and thereafter to the supreme court where the disposition is ordered by the juvenile court in any other county. A dismissal of an appeal brought under this subdivision shall not prejudice an appeal brought under any other provision of law or rule.

When an appeal taken under this subdivision is filed, the clerk of the juvenile court shall certify to the supreme court the transcript of the proceedings and any files or records relating to the delinquent child, the offense, and the disposition, that the supreme court by rule or order may require.

On an appeal pursuant to this subdivision, the supreme court may review the disposition to determine whether it is inconsistent with statutory requirements, unreasonable, inappropriate, excessive, unjustifiably disparate, or not warranted by the findings of fact issued by the juvenile court. This review shall be in addition to all other powers of review presently existing. The supreme court may dismiss or affirm the appeal, vacate or set aside the disposition and direct entry of an appropriate disposition or order further proceedings to be had as the supreme court may direct.

This section shall not be construed to confer or enlarge any right of a delinquent child to be released pending an appeal.

Sec. 26. Minnesota Statutes 1978, Chapter 260, is amended by adding a section to read:

[260.186] [MINNESOTA JUVENILE COURT DISPOSITIONAL GUIDELINES COMMISSION.] Subdivision 1. There is hereby established the Minnesota juvenile dispositional guidelines commission which shall be comprised of nine members.

Subd. 2. For the purposes of this section, "detention" means out-of-home residential placement of a delinquent child ordered pursuant to section 260.185.

Subd. 3. The commission shall consist of the following:

- (1) The chief justice of the supreme court or his designee;
- (2) Two juvenile court judges appointed by the chief justice of the supreme court, one of whom shall be a designated juvenile court judge in Ramsey or Hennepin County;
- (3) One public defender appointed by the governor upon recommendation of the state public defender;
- (4) One county attorney appointed by the governor upon recommendation of the board of governors of the county attorneys council;
- (5) The commissioner of corrections or his designee; and
- (6) Three public members appointed by the governor.

One of the members shall be designated by the governor as chairman of the commission.

Subd. 4. Each appointed member shall be appointed for four years and shall continue to serve during that time as long as he occupies the position which made him eligible for the appointment. Each member shall continue in office until his successor is duly appointed. Members shall be eligible for reappointment, and appointment may be made to fill an unexpired term. The members of the commission shall elect any additional officers necessary for the efficient discharge of their duties.

Subd. 5. Each member of the commission shall be reimbursed for all reasonable expenses actually paid or incurred by him in the performance of his official duties in the same manner as other employees of the state. The public members of the commission shall be compensated at the rate of \$50 for each day or part thereof spent on commission activities.

Subd. 6. The commission shall, on or before January 1, 1983, promulgate dispositional guidelines for the juvenile courts. The guidelines shall be based on reasonable offense and offender characteristics and shall outline appropriate dispositions which are proportional to the offense committed by the juvenile. The guidelines promulgated by the commission shall be advisory to the juvenile court and shall establish:

(1) The circumstances under which detention or secure detention of an offender is proper; and

(2) A presumptive, fixed period of detention or secure detention for offenders for whom detention or secure detention is proper, based on each appropriate combination of reasonable offense and offender characteristics. The guidelines may provide for an increase or decrease of up to 15 percent in the presumptive, fixed period of detention or secure detention.

The dispositional guidelines promulgated by the commission may also establish appropriate dispositions for offenders for whom detention is not proper. Any guidelines promulgated by the commission establishing dispositions for offenders for whom detention is not proper shall make specific reference to noninstitutional dispositions, including but not limited to the following: payment of fines, restitution, community work orders, community based non-residential programs, and probation and the conditions thereof.

In establishing the dispositional guidelines, the commission shall take into substantial consideration current dispositional practices and resources, including but not limited to the capacities of local and state facilities.

The provisions of sections 15.0411 to 15.052 do not apply to the promulgation of the dispositional guidelines.

Subd. 7. The commission, in addition to establishing dispositional guidelines, shall serve as a clearing house and information center for the collection, preparation, analysis and dissemination

of information on state and local juvenile dispositional practices, and shall conduct ongoing research regarding dispositional guidelines, use of detention and alternatives to detention, plea bargaining, and other matters relating to the improvement of the juvenile justice system. The commission shall from time to time make recommendations to the legislature regarding changes in the juvenile court act, juvenile court procedures, and other aspects of disposition.

Subd. 8. The commission shall study the impact of the dispositional guidelines promulgated by the commission after their implementation.

Subd. 9. The commissioner of corrections shall provide adequate office space and administrative services for the commission, and the commission shall reimburse the commissioner for the space and services provided. The commission may also utilize, with their consent, the services, equipment, personnel, information and resources of other state agencies; and may accept voluntary and uncompensated services, contract with individuals, public and private agencies, and request information, reports and data from any agency of the state, or any of its political subdivisions, to the extent authorized by law.

Subd. 10. When any person, corporation, the United States government, or any other entity offers funds to the dispositional guidelines commission to carry out its purposes and duties, the commission may accept the offer by majority vote and upon acceptance the chairman shall receive the funds subject to the terms of the offer, but no money shall be accepted or received as a loan nor shall any indebtedness be incurred except in the manner and under the limitations otherwise provided by law.

Subd. 11. The commission may select and employ a research director who shall perform the duties the commission directs, including the hiring of any clerical help and other employees as the commission shall approve. The research director and other staff shall be in the unclassified service of the state and their salary shall be established by the commission. They shall be reimbursed for the expenses necessarily incurred in the performance of their official duties in the same manner as other state employees.

Subd. 12. The commission shall meet as necessary for the purpose of modifying and improving the guidelines.

Subd. 13. The guidelines shall be submitted to the legislature on or before January 1, 1983, and shall be effective May 1, 1983, unless the legislature provides otherwise.

Sec. 27. Minnesota Statutes 1978, Section 260.191, Subdivision 1, is amended to read:

260.191 [DISPOSITIONS; CHILDREN WHO ARE NEGLECTED, DEPENDENT, OR NEGLECTED AND IN FOSTER CARE.] Subdivision 1. If the court finds that the child is neglected, dependent, or neglected and in foster care, it shall enter an order making any of the following dispositions of the case:

(a) Place the child under the protective supervision of the county welfare board or child placing agency in his own home under conditions prescribed by the court directed to the correction of the neglect or dependency of the child †.

(b) Transfer legal custody 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.*

(c) 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.

(d) *Counsel the child or his parent, guardian or custodian.*

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 appropriate in the instant case.

Sec. 28. Minnesota Statutes 1978, Section 260.193, is amended to read:

260.193 [JUVENILE TRAFFIC OFFENDER; PROCEDURES; DISPOSITIONS.] Subdivision 1. (a) *For purposes of this section, the following terms have the meanings given them.*

(b) *"Major traffic offense" includes any violation of a state or local traffic law, ordinance, or regulation, or a federal, state, or local water traffic law not included within the provisions of clause (c).*

(c) *"Minor traffic offense" means a violation of a state or local traffic law, ordinance, or regulation, or a federal, state, or local water traffic law constituting an offense punishable only by fine of not more than \$100.*

Subd. 2. *A child who violates a state or local traffic law, ordinance, or regulation, or who violates a federal, state, or local water traffic law commits a major traffic offense shall be adjudicated a "juvenile highway traffic offender" or a "juvenile water traffic offender," as the case may be, and shall not be adjudicated delinquent, unless, as in the case of any other child alleged to be delinquent, a petition is filed in the manner provided in section*

260.131, summons issued, notice given, a hearing held, and the court finds as a further fact that the child is also delinquent within the meaning and purpose of the laws relating to juvenile courts.

Subd. 3. A child who commits a minor traffic offense shall be subject to the laws and court procedures controlling adult traffic violators and shall not be under the jurisdiction of the juvenile court. When a child is alleged to have committed a minor traffic offense, the peace officer making the charge shall follow the arrest procedures prescribed in section 169.91 and shall make reasonable effort to notify the child's parent or guardian of the nature of the charge.

Subd. 2 4. When a child is alleged to have violated any state or local traffic law, ordinance, or regulation committed a major traffic offense, the peace officer making the charge shall file a signed copy of the notice to appear, as provided in section 169.91, with the juvenile court of the county in which the violation occurred, and the notice to appear has the effect of a petition and gives the juvenile court jurisdiction. Filing with the court of a notice to appear containing the name and address of the child allegedly violating a federal, state, or local water traffic law committing a major traffic offense and specifying the offense charged, the time and place of the alleged violation shall have the effect of a petition and give the juvenile court jurisdiction. Any reputable person having knowledge of a child who violates a state or local traffic law, ordinance, or regulation or a federal, state, or local water traffic law, ordinance, or regulation commits a major traffic offense may petition the juvenile court in the manner provided in section 260.131. Whenever a notice to appear or petition is filed alleging that a child is a juvenile highway traffic offender or a juvenile water traffic offender, the court shall summon and notify the persons required to be summoned or notified as provided in sections 260.135 and 260.141. However, it is not necessary to (1) notify more than one parent, or (2) publish any notice, or (3) personally serve outside the state.

Subd. 3 5. Before making a disposition of any child found to be a juvenile highway major traffic offender, the court shall obtain from the department of transportation information of any previous traffic violation by this juvenile. In the case of a juvenile water traffic offender, he shall obtain from the office where such the information is now or hereafter may be kept information of any previous water traffic violation by such the juvenile.

Subd. 4 6. If after a hearing the court finds that the welfare of a juvenile highway major traffic offender or a juvenile water traffic offender or the public safety would be better served under the laws controlling adult traffic violators, the court may transfer the case to any court of competent jurisdiction presided over by a salaried judge if there is one in the county. The juvenile court transfers the case by forwarding to the appropriate court the documents in the court's file together with an order to transfer. The court to which the case is transferred shall proceed with the case as if the jurisdiction of the juvenile court had never attached.

Subd. 5 7. If the juvenile court finds that the child is a juvenile *major* highway or water traffic offender, it may make any one or more of the following dispositions of the case:

(a) Reprimand the child and counsel with the child and his parents;

(b) Continue the case for a reasonable period under such conditions governing the child's use and operation of any motor vehicles or boat as the court may set;

(c) Require the child to attend a driver improvement school if one is available within the county;

(d) Recommend to the department of public safety suspension of the child's driver's license as provided in section 171.16;

(e) If the child is found to have committed two moving highway traffic violations or to have contributed to a highway accident involving death, injury, or physical damage in excess of \$100, the court may recommend to the commissioner of public safety or to the licensing authority of another state the cancellation of the child's license until he reaches the age of 18 years, and the commissioner of public safety is hereby authorized to cancel the license without hearing. At any time before the termination of the period of cancellation, the court may, for good cause, recommend to the commissioner of public safety, or to the licensing authority of another state, that the child's license be returned to him, and the commissioner of public safety is authorized to return the license;

(f) Place the child under the supervision of a probation officer in his own home under conditions prescribed by the court including reasonable rules relating to his operation and use of motor vehicles or boats directed to the correction of his driving habits;

(g) *Require the child to pay a fine of up to \$500. The court shall order payment of the fine in accordance with a time payment schedule which shall not impose an undue financial hardship on the child.*

Subd. 6 8. The juvenile court shall report the disposition of all juvenile highway traffic cases to the commissioner of public safety, as provided in section 171.16, on the standard form provided by the department of public safety under section 169.95.

Subd. 7 9. The juvenile court records of juvenile highway traffic offenders and juvenile water traffic offenders shall be kept separate from delinquency matters.

Sec. 29. Minnesota Statutes 1978, Section 260.211, Subdivision 1, is amended to read:

260.211 [EFFECT OF JUVENILE COURT PROCEEDINGS.] Subdivision 1. No adjudication upon the status of any child in the jurisdiction of the juvenile court shall operate to impose any of the civil disabilities imposed by conviction, nor shall any child be deemed a criminal by reason of this adjudication, nor shall this

adjudication be deemed a conviction of crime. The disposition of the child or any evidence given by the child in the juvenile court shall not be admissible as evidence against him in any case or proceeding in any other court, *except that an adjudication may later be used to determine a proper sentence*, nor shall the disposition or evidence disqualify him in any future civil service examination, appointment, or application.

Sec. 30. Minnesota Statutes 1978, Chapter 480, is amended by adding a section to read:

[480.0595] [JUVENILE COURT PROCEEDINGS, PLEADINGS, PRACTICE AND PROCEDURE.] *Subdivision 1. [RULES AND REGULATIONS.] The supreme court shall regulate the pleadings, practice, procedure, and the forms applicable in all juvenile court proceedings in this state, by rules promulgated by it from time to time. The rules shall not abridge, enlarge, or modify the substantive rights of any person.*

Subd. 2. [ADVISORY COMMITTEE.] Before the rules are adopted the chief justice of the supreme court shall appoint an advisory task force consisting of five lawyers licensed to practice law in the state, the chairman of the Minnesota corrections board or his designee, a peace officer, two public members and three juvenile court judges, at least one of whom shall be a designated juvenile court judge in Hennepin or Ramsey county, to assist the court in considering and preparing the rules.

Subd. 3. [RECOMMENDATIONS BY JUDICIAL COUNCIL.] The judicial council, upon the request of the supreme court or upon its own initiative in accordance with the provisions of chapter 483, may at any time make recommendations to the court concerning the rules.

Subd. 4. [DISTRIBUTION OF PROPOSED RULES; HEARING.] Before any such rule is adopted, the supreme court shall distribute copies of the proposed rule to the judiciary and attorneys of the state for their consideration and suggestions and give due consideration to such suggestions as they may submit to the court. Any interested person may file with the court a petition specifying suggestions concerning any existing or proposed rule and requesting a hearing thereon. The court may thereupon grant a hearing.

Subd. 5. [RULES NOT IN CONFLICT.] Any juvenile court, other than the supreme court, may adopt rules of court governing its practice; but the rules shall not conflict with the rules promulgated by the supreme court.

Subd. 6. [PROMULGATION.] (1) [EFFECTIVE DATE OF RULES; PUBLICATION.] All rules promulgated under this section shall be effective at a time fixed by the court and shall be published in the appendix to the official reports of the supreme court and shall be bound therewith. The court shall publish and distribute to the judiciary and attorneys of the state, on or before September 1, 1981, copies of the final version of the rules it intends to adopt. A period of at least 120 days shall be allowed

from the date of publication of this final version for the rules to be studied by the judiciary and attorneys of the state prior to the adoption of any of the rules.

(2) [PRINTING, PUBLISHING AND DISTRIBUTING.] *The commissioner of administration shall print, publish and distribute copies thereof to the judiciary and attorneys and as required by law.*

Subd. 7. [EFFECT UPON STATUTES.] *Present statutes relating to the pleadings, practice, procedure, and the forms thereof in juvenile court proceedings shall be effective until modified or superseded by court rule. No rule may be promulgated pursuant to this section which is in conflict with a statute.*

Subd. 8. [RIGHT RESERVED.] *This section shall not abridge the right of the legislature to enact, modify, or repeal any statute or modify or repeal any rule of the supreme court adopted pursuant thereto.*

Sec. 31. Minnesota Statutes 1978, Section 540.18, Subdivision 1, is amended to read:

540.18 [DAMAGE BY MINOR; RESPONSIBILITY OF PARENT, GUARDIAN, AND MINOR.] Subdivision 1. *The parent or guardian of the person of a minor who is under the age of 18 and who is living with the parent or guardian and who willfully or maliciously causes injury to any person or damage to any property is jointly and severally liable with such minor for such injury or damage to an amount not exceeding \$199 \$500, if such minor would have been liable for such injury or damage if he had been an adult. Nothing in this subdivision shall be construed to relieve such minor from personal liability for such injury or damage. The liability provided in this subdivision is in addition to and not in lieu of any other liability which may exist at law. Recovery under this section shall be limited to special damages.*

Sec. 32. Minnesota Statutes 1978, Chapter 609, is amended by adding a section to read:

[609.169] [AUTOMATIC EXPUNGEMENT.] Subdivision 1. *In the case of a felony conviction, after a ten year period has elapsed since the date of discharge from or expiration of sentence, during which period the convicted person has not been convicted of a felony, gross misdemeanor or misdemeanor, all records pertaining to the felony conviction and all prior convictions shall be expunged and shall not be considered thereafter by a court for any purpose whatsoever nor shall they create any other disability.*

Subd. 2. *In the case of a misdemeanor or gross misdemeanor conviction, after a five year period has elapsed since the date of discharge from or expiration of sentence, during which period the convicted person has not been convicted of a felony, gross misdemeanor or misdemeanor, all records pertaining to the misdemeanor or gross misdemeanor conviction and all prior convictions shall be expunged and shall not be considered thereafter by a court for any purpose nor shall they create any other disability.*

Sec. 33. [REPEALER.] *Minnesota Statutes 1978, Section 609.685 is repealed.*

Sec. 34. [EFFECTIVE DATE.] *Subdivision 1. Section 26 is effective May 1, 1981. Sections 23, 24 and 25 are effective May 1, 1983, and apply to all offenses committed on or after that date.*

Subd. 2. Sections 1 to 22, and 27 to 33 are effective August 1, 1980 and apply to all offenses committed on or after that date."

Amend the title by deleting it and inserting:

"A bill for an act relating to juveniles and corrections; modifying dispositions available to juvenile court judges; increasing civil liability of parents for intentional acts of their children; changing the definitions of "delinquent" and "dependent" children; modifying statutory provisions relating to records of convictions and adjudications of delinquency; making the rules of evidence applicable in juvenile proceedings; providing for open hearings for juveniles in certain cases; modifying procedures in juvenile court; providing for informed consent by juveniles to waiver of rights; providing for the promulgation of statewide juvenile court rules; providing for a juvenile dispositional guidelines commission and the promulgation and application of guidelines; modifying the jurisdiction of the juvenile courts; modifying the provisions for reference of juveniles for adult prosecution; expanding the coverage of the provisions requiring preparation of a case plan for children placed in foster care; repealing the statute prohibiting underage smoking; amending Minnesota Statutes 1978, Sections 257.071, Subdivision 1; 260.011, Subdivision 2; 260.015, Subdivisions 5 and 6; 260.031, Subdivision 4; 260.111, Subdivision 1; 260.115, Subdivision 1; 260.121, Subdivision 3; 260.125; 260.135, Subdivisions 1, 2, and 5; 260.141, Subdivision 1; 260.155, Subdivisions 1, 2, 4 and by adding a subdivision; 260.161, Subdivision 1; 260.173, Subdivisions 2 and 3; 260.181, Subdivision 4; 260.185, Subdivision 1, and by adding subdivisions; 260.191, Subdivision 1; 260.193; 260.211, Subdivision 1; 540.18, Subdivision 1; and Chapters 260, by adding a section; 480, by adding a section; and 609, by adding a section; repealing Minnesota Statutes 1978, Section 609.685."

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

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

S. F. No. 1428: A bill for an act relating to hospitalization and commitment; requiring committing courts to establish result oriented evaluation programs for committed persons; appointment of counsel guardians for committed persons; establishing a central agency within the department of public welfare which shall develop a program of statistical analysis relating to treatment of committed persons.

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

Page 1, line 15, delete "establish a result oriented" and insert "participate in a statewide results-oriented"

Page 3, line 5, after the period, insert "The panel shall include consultation with a recognized state medical psychiatric organization prior to dissemination of the data among the two professions, law and medicine."

Sec. 2. [APPROPRIATION.] There is appropriated from the general fund to the commissioner of public welfare, for the purposes of section 1, the sum of \$..... for the remainder of the biennium."

Amend the title as follows:

Page 1, line 9, after "persons" insert "; appropriating money"

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

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

S. F. No. 1686: A bill for an act relating to courts; providing for elections in a county court district.

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

Delete everything after the enacting clause and insert:

"Section 1. In order to make judicial services available to the widest geographic area in county court district 8C, consisting of the counties of Big Stone, Grant, Pope, Stevens, Traverse and Wilkin, no more than one county court judge may reside in any one county unless there is a resident judge in each county of that district. This section shall not apply during the first two years after a second judge resident of the county is appointed or elected.

Sec. 2. The voters in Grant County shall be entitled to vote in the election of any county court judge in county court district 8C occurring prior to the regular elections for county court judges in November 1982.

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

Delete the title and insert:

"A bill for an act relating to county court district 8C; providing for residency of county court judges in the counties of Big Stone, Grant, Pope, Stevens, Traverse and Wilkin; providing for election of judges in those counties."

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

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

S. F. No. 1680: A bill for an act relating to motor vehicles; setting due dates for installment payments of motor vehicle registration taxes; extending the coroner's reporting time of deaths resulting from motor vehicle accidents; authorizing the use of accident reports by certain agencies for accident analysis purposes; requiring bumpers on certain motor vehicles, and requiring rear rigid safeguards on certain trucks, trailers and semi-trailers; amending Minnesota Statutes 1978, Sections 168.31, Subdivision 4; 169.09, Subdivisions 11 and 13, and 169.73, Subdivision 2; repealing Minnesota Statutes 1978, Section 169.73, Subdivisions 1, 3, 4 and 5.

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

Page 3, line 28, reinstate the stricken language

Page 3, line 29, delete the new language

Page 3, line 31, reinstate the stricken language and delete the new language

Page 4, line 31, after "publications" insert "*and licensed radio and television stations*"

Page 5, line 4, after "publications" insert "*and licensed radio and television stations*"

Page 5, line 8, after "publication" insert "*or broadcast*"

Page 5, line 12, reinstate the stricken language and delete the new language

Page 5, line 14, reinstate the stricken language

Page 5, line 15, delete "*analysis*"

Pages 5 and 6, delete sections 4 and 5

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 7, delete "*analysis*" and insert "*prevention*"

Page 1, line 7, delete "*requiring*"

Page 1, delete lines 8 and 9

Page 1, line 10, delete "*and semi-trailers;*"

Page 1, line 11, after the semicolon insert "*and*"

Page 1, line 12, delete "*, and 169.73, Subdivision 2;*" and insert a period

Page 1, delete lines 13 and 14

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

Mr. Tennesen from the Committee on Commerce, to which was referred

S. F. No. 1752: A bill for an act relating to commerce; requiring invoices on certain repairs; amending Minnesota Statutes 1978, Sections 325.972; and 325.976.

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

Page 1, line 10, delete everything after "repair"

Page 1, delete lines 11 and 12

Page 1, line 13, delete the new language and insert *"means warranty work or work performed for a total price of more than \$50, including the price of parts and materials, to restore a mal-functioning, defective or worn motor vehicle, appliance or dwelling place used primarily for personal, family, or household purposes and not primarily for business or agricultural purposes. 'Repairs' do not include service calls or estimates."*

Page 2, line 12, delete everything after *"of the"* and insert *"symptoms, as described by the customer, for which the repairs were sought"*

Page 2, line 13, delete the new language

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

Mr. Tennesen from the Committee on Commerce, to which was referred

S. F. No. 1668: A bill for an act relating to health care; further defining "qualified expense" as it relates to catastrophic health expense protection; amending Minnesota Statutes 1978, Section 62E.52, Subdivision 3.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1978, Section 62E.12, is amended to read:

62E.12 [MINIMUM BENEFITS OF COMPREHENSIVE HEALTH INSURANCE PLAN.] The association through its comprehensive health insurance plan shall offer policies which provide the benefits of a number one qualified plan, a number two qualified plan and a qualified medicare supplement plan. They shall offer health maintenance organization contracts in those areas of the state where a health maintenance organization has agreed to make the coverage available and has been selected as a writing carrier. *Notwithstanding the provisions of section 62E.06, the state plan shall exclude coverage of services of a private duty nurse other than on an inpatient basis and any charges for treatment in a hospital located outside of the state of Minnesota in which the covered person is receiving treatment for a mental or nervous disorder.*

Sec. 2. Minnesota Statutes 1978, Section 62E.14, Subdivision 3, is amended to read:

Subd. 3. [PRE-EXISTING CONDITIONS.] No person who obtains coverage pursuant to this section shall be covered for any pre-existing condition during the first ~~six~~ 12 months of coverage under the state plan if the person was diagnosed or treated for that condition during the 90 days immediately preceding the filing of an application.

Sec. 3. Minnesota Statutes 1978, Section 62E.53, is amended by adding a subdivision to read:

Subd. 4. Health services provided outside Minnesota to eligible persons are qualified expenses in the following situations:

(1) When it is general practice for residents of Minnesota to use health services beyond the borders of this state; or

(2) When the availability of necessary medical care, services, or supplementary resources make it necessary for an individual to use health services outside the state; or

(3) Where an emergency arises from accident or illness and the individual is outside the state; or

(4) Where the health of the individual would be endangered if the care and services were postponed until he returns to Minnesota; or

(5) Where the health of the individual would be endangered if he attempted to return to Minnesota in order to receive medical care.

Sec. 4. Section 1 of this act is effective on August 1, 1980 and shall apply to all hospitalizations occurring on or after said date. Section 2 is effective for policies issued on or after August 1, 1980. The remaining sections are effective the day following final enactment."

Delete the title in its entirety and insert:

"A bill for an act relating to health care; excluding coverage of certain services in the Comprehensive Health Insurance plan; extending the pre-existing condition period; qualifying certain services covered by the Catastrophic Health Expense Protection program; repealing certain provisions; amending Minnesota Statutes 1978, Section 62E.12; 62E.14, Subdivision 3; 62E.53, by adding a subdivision."

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

Mr. Tennesen from the Committee on Commerce, to which was referred

S. F. No. 1448: A bill for an act relating to insurance; placing certain restrictions on life insurance policies designed to protect certain interests arising out of business relationships; amending Minnesota Statutes 1978, Chapter 61A, by adding a section.

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

Page 1, line 18, delete everything after the period

Page 1, delete lines 19 to 23 and insert *"Any insurer which, according to its records, has in force such a policy must, upon request of the insured, inform the insured that the policy is in force. An employer which owns such a policy insuring the life of an employee must give notice to the employee and the insurer within ten days after the termination of the employee's employment if it intends to continue the policy in force. The employer's notice to the insurer shall state that the employment relationship has terminated and the employee's last known address. If the policy is continued in force after the grace period following the next policy anniversary date the insurer shall, within ten days following the expiration of the grace period, notify the insured of the continuance. The required notice shall be in writing and sent by first class mail to the last known address of the addressee."*

Page 2, line 1, delete *"the day following"*

Page 2, delete line 2, and insert *"July 1, 1980."*

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

Mr. Tennesen from the Committee on Commerce, to which was referred

S. F. No. 2284: A bill for an act relating to financial institutions; requiring all checks and drafts drawn on certain accounts to clearly display the month and year the account was opened.

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

Delete everything after the enacting clause and insert:

"Section 1. [48.511] [CHECKING ACCOUNTS; DISCLOSURE.] All checks, drafts or similar negotiable or non-negotiable instruments or orders of withdrawal which are drawn against funds held by a financial institution in a consumer deposit account opened after July 1, 1980, shall clearly display on the face thereof the month and year in which the account was opened. With respect to a new account for a person who has had at the time of opening the new account, an account in good standing at the same or another financial institution, the month and year that the other account was opened shall be displayed for the new account. This section does not apply to temporary checks, drafts, or similar temporary negotiable or non-negotiable instruments or orders of withdrawal."

For purposes of this section the term "consumer deposit account" means a demand or other similar deposit account established and maintained by a natural person with a financial institution and operated primarily for personal, family or household purposes.

For purposes of this section the term "financial institution" means any bank subject to chapter 48, savings bank subject to chapter 50, savings and loan association subject to chapter 51A, credit union subject to chapter 52, and any federally chartered commercial bank, savings and loan association and credit union, organized and operated in this state pursuant to the laws of the United States.

No liability shall be imposed on any financial institution or printer for an unintentional failure to comply with this section."

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

Mr. Schaaf from the Committee on Governmental Operations, to which was referred

S. F. No. 1262: A bill for an act relating to the operation of state government; establishing a system of periodic review of the operation of occupational licensing agencies; creating guidelines; establishing legislative review procedures; setting termination dates.

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

Page 2, line 6, delete "1981" and insert "1982"

Page 2, line 22, delete "1982" and insert "1983"

Page 2, line 25, before "board" insert "Minnesota"

Page 3, line 2, delete "1983" and insert "1984"

Page 3, line 12, delete "1984" and insert "1985"

Page 3, line 28, delete "1985" and insert "1986"

Page 4, line 8, delete "1986" and insert "1987"

Page 4, line 11, delete "council" and insert "committee"

Page 4, line 18, delete "1987" and insert "1988"

Page 4, delete lines 25 and 26 and insert:

"(d) The water well contractors advisory council, established in Minnesota Statutes, Section 156A.06"

Page 5, line 4, before the period, insert "and any pending activities or determinations shall be concluded by the commissioner of administration"

Page 5, line 11, after "the" insert "appropriate standing committees of the"

Page 5, line 12, after "legislature" insert ", as designated by the president of the senate for senate committees and by the speaker of the house for house committees,"

Page 5, line 20, before "Each" insert "One year before its scheduled termination date"

Page 5, line 20, delete "committee" and insert "committees designated to receive"

Page 5, line 21, delete "receiving"

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

Mr. Tennesen from the Committee on Commerce, to which was referred

S. F. No. 2353: A bill for an act relating to financial institutions; modifying director's residence requirements for industrial loan and thrift companies; providing for a report to the commissioner in the event of a change of control; requiring insurance or guarantee of certificates of indebtedness sold or issued for investment; exempting certificates of indebtedness from the regulation of securities; amending Minnesota Statutes 1978, Sections 53.06; 53.09, Subdivision 2; Chapter 53, by adding a section; and Minnesota Statutes, 1979 Supplement, Section 80A.15, Subdivision 1.

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

Page 2, line 24, delete "April 1, 1981" and insert "July 1, 1983"

Page 3, line 6, after "the" insert "lesser of the"

Page 3, line 7, delete everything after "under"

Page 3, line 8, delete "not less than" and insert "a certificate or"

Page 3, line 8, after the period, insert "*For purposes of this section an insurance company or guarantee fund includes an insurance company authorized to do business in this state, an insurance or guarantee fund organized under the laws of the United States, this state or any other state with the expressed purpose or authority to guarantee the accounts of industrial loan and thrift companies or any other person who contracts with industrial loan and thrift companies to guarantee accounts.*"

Page 3, line 15, delete "April 1, 1982" and insert "July 1, 1985"

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

Mr. Schaaf from the Committee on Governmental Operations, to which was referred

S. F. No. 1694: A bill for an act relating to retirement; providing a post retirement adjustment to certain omitted recipients; amending Laws 1979, Chapter 293, Section 10, Subdivision 1.

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

Page 2, after line 6, insert:

"Sec. 2. Laws 1979, Chapter 293, Section 10, is amended by adding a subdivision to read:

Subd. 6. [TRANSFER OF APPROPRIATION; TERMINAL AUDIT.] *From the amounts appropriated and apportioned pursuant to subdivision 5, there is transferred to the commissioner of finance for purposes of redistribution the specified amount from each fund indicated, as follows:*

highway patrol retirement fund	\$ 11,971
state employees retirement fund	263,100
public employees retirement fund	238,155
public employees police and fire fund	45,471

From the total amount transferred to the commissioner of finance for redistribution, the commissioner shall transfer the specified amount to each fund indicated as follows:

Minneapolis municipal employees retirement fund	\$ 25,780
teachers retirement fund	173,711

The remaining balance of the appropriation transferred to the commissioner of finance following redistribution shall cancel and shall be returned to the general fund.

Each covered retirement fund as specified in subdivision 4 shall, as soon as is practical following the payment of the December 1, 1980, post retirement adjustment, calculate the amount of any appropriation apportioned to it which is in excess of the amounts required to pay the December 1, 1970, and December 1, 1980, post retirement adjustments and the post retirement adjustments provided for in this act. In addition, the executive secretary of the state board of investment, for covered retirement funds specified in subdivision 4, clauses (1) to (5), and the executive secretary of the Minneapolis municipal employees retirement fund, for that fund, shall calculate the amount which represents for each applicable covered retirement fund the investment income which the fund received on its portion of the appropriation calculated on the basis of the actual annual rate of investment return received on the assets of the retirement fund. The calculations required by this paragraph shall be reported to and verified by the commissioner of finance and amounts equal to these reported excess appropriation and investment income amounts shall be returned to the general fund.

The commissioner of finance is not authorized to adjust or modify any appropriation made pursuant to Laws 1979, Chapter 293, Section 10 or any amounts transferred pursuant to this act except in accordance with this subdivision."

Page 2, line 15, after the first "the" insert "second" and delete "next"

Page 2, after line 17, insert:

"Sec. 4. [REPEALER.] Laws 1979, Chapter 293, Section 10, Subdivision 2, is repealed."

Page 2, line 19, delete "2" and insert "3"

Page 2, line 20, after "enactment." insert "Section 4 is effective retroactively to July 1, 1979."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, after "recipients;" insert "transferring certain appropriations;"

Page 1, line 5, after "Subdivision 1" insert ", and by adding a subdivision; repealing Laws 1979, Chapter 293, Section 10, Subdivision 2"

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

Mr. Schaaf from the Committee on Governmental Operations, to which was referred

S. F. No. 678: A bill for an act relating to the operation of state government; providing for the expiration or periodic reevaluation of various regulatory programs; requiring program and fiscal review of regulatory programs; providing for performance audits by the legislative auditor; establishing a pilot program; appropriating money.

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

Page 1, line 21, delete "affect" and insert "effect"

Page 5, line 19, delete "of this article"

Page 5, line 23, delete "complimentary" and insert "complementary"

Page 8, line 4, delete "1979" and insert "1980"

Page 8, line 13, delete "1981" and insert "1982"

Page 8, line 16, delete "1981" and insert "1982"

Page 8, line 21, delete "article I,"

Page 9, line 2, delete "1982" and insert "1983"

Page 9, line 10, delete "16.853" insert "16.851"

Page 9, line 12, before "historical" insert "Minnesota state"

Page 9, line 22, before "board" insert "review"

Page 10, line 2, before "energy" insert "Minnesota"

Page 10, line 2, after "agency" insert "to establish an energy conservation information center,"

Page 10, line 11, delete "16H.121" and insert "116H.121"

Page 10, line 13, delete "1983" and insert "1984"

Page 10, line 21, after "construction," insert "to approve certain rental contracts and"

Page 10, line 22, delete "and to permit attendance at a school outside a"

Page 10, line 23, delete "student's district,"

Page 11, line 1, after "subdivision 6" delete the comma and insert "and"

Page 11, line 2, delete "and 124.561, subdivision 3"

Page 11, line 12, delete ", 237.06 to 237.08, 237.16, 237.23 and 237.39" and insert "and 237.075"

Page 11, line 20, delete "216.42" and insert "216B.42", after "216B.49" delete the comma and insert "and" and after "237.081" delete ", 237.12, 237.20 and 237.21"

Page 11, line 21, delete "1984" and insert "1985"

Page 11, line 29, delete "state fire marshal" and insert "commissioner of public safety"

Page 11, line 30, delete "grant variances from fire safety requirements and to"

Page 11, line 31, delete "sections" and insert "section"

Page 11, line 32, delete "and 299F.57, subdivision 5"

Page 12, line 6, delete "board" and insert "commissioner"

Page 12, line 13, delete "board" and insert "commissioner"

Page 12, line 16, after "144.121" delete the comma and insert "and"

Page 12, line 17, delete "and 145.71 to 145.83"

Page 12, line 18, delete "board" and insert "commissioner"

Page 13, line 21, delete "72A.06, 79.07" and insert "79.071"

Page 13, line 31, delete "subdivision 3,"

Page 13, line 32, delete "62D.18, 62D.19,"

Page 14, line 15, delete "subdivisions 3 and 4,"

Page 14, line 17, delete "1985" and insert "1986"

Page 15, line 7, after "105.43" delete the comma and insert "and" and after "105.64" delete "and 116.07,"

Page 15, line 8, delete "subdivision 7"

Page 16, line 11, delete "1986" and insert "1987"

Page 16, line 26, delete "32.56" and insert "32.55"

Page 17, line 12, delete "1" and insert "2"

Page 17, line 17, delete "1987" and insert "1988"

Page 17, line 22, after "director" insert "of the bureau"

Page 18, line 14, delete "182.665" and insert "182.655"

Page 18, line 14, delete the semicolon and insert a period

Pages 18 and 19, delete subdivisions 7 to 18

Page 19, line 21, delete "1987" and insert "1988"

Page 19, line 27, delete "director of the public"

Page 19, line 28, delete "service department" and insert "commissioner of agriculture"

Page 19, line 32, after "marshal" insert "and the commissioner of public safety"

Page 20, line 9, before "historical" insert "Minnesota state"

Page 20, delete lines 12 to 15

Page 20, line 21, delete "real estate brokers and salesmen,"

Page 20, line 22, delete the last comma and insert "and"

Page 20, line 23, delete "and chapter 82"

Page 20, delete lines 24 to 33

Page 21, delete lines 1 to 16

Page 21, line 27, delete "director of consumer"

Page 21, line 28, delete "services" and insert "commissioner of securities"

Page 21, delete lines 30 to 32

Renumber the subdivisions in sequence

Page 22, line 3, delete "director of the public"

Page 22, line 4, delete "service department" and insert "commissioner of agriculture"

Page 22, line 8, delete "public"

Page 22, line 9, delete "safety" and insert "transportation"

Page 24, line 5, after the period, insert "The revisor shall annually revise the statutory citations in the schedule in sections 2 to 8 to reflect any statutory changes in the regulatory programs listed in the schedule."

Page 24, line 8, delete "1983" and insert "1984"

Page 24, line 9, delete "1983" and insert "1984"

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

Mr. Tennesen from the Committee on Commerce, to which was referred

S. F. No. 403: A bill for an act relating to local government; permitting self insurance for local governments; authorizing insur-

ance pooling; amending Minnesota Statutes 1978, Sections 60A.02, Subdivisions 3 and 4; 79.01, Subdivisions 2 and 3; and Chapter 471, by adding sections.

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

Page 1, line 18, after "insurance" insert "*for purposes of this subdivision*"

Page 2, line 1, after "but" insert "*for purposes of this subdivision*"

Page 2, line 9, delete "It" and insert "*For purposes of this subdivision "insurer"*"

Page 2, line 20, after "insurance" insert "*for purposes of this subdivision*"

Page 3, line 22, after "hazard" insert ", not including health, life, accident or disability of its employees,"

Page 3, line 24, after "hazard" insert ", not including health, life, accident or disability of its employees"

Page 4, lines 26 to 33, delete subdivision 4

Renumber the remaining subdivision

Page 5, line 1, delete everything after "5."

Page 5, line 2, delete everything before "a"

Page 5, line 2, delete "to" and insert "may"

Page 5, line 4, delete "or to" and insert "and may"

Page 5, delete lines 8 to 25 and insert:

"[471.982] [REVIEW OF JOINT SELF INSURANCE POOL.]
Subdivision 1. Prior to the formation of a pool, there shall be submitted for approval to the commissioner of insurance a complete written proposal of the pool's operation, including, but not limited to, administration, claims adjusting, membership, capitalization, and provision for payment of claims exceeding the pool's assets. The commissioner shall review the proposal and approve or disapprove within 60 days after receipt to assure that proper insurance techniques and procedures are included in the proposal. If the commissioner does not disapprove within 60 days after receipt of the proposal, the proposal is deemed approved. Each pool shall file with the commissioner of insurance on or before March 1 of each year a written report in a form prescribed by the commissioner as to its condition. The report shall include a detailed statement of assets and liabilities, the amount and character of the business transacted, and the moneys reserved and expended during the previous year.

Subd. 2. The commissioner of insurance is authorized to promulgate administrative rules, including emergency rules pursuant to sections 15.0411 to 15.052. These rules may provide standards

or guidelines governing the formation, operation, administration, dissolution of self insurance pools, and other reasonable requirements to further the purpose of this section and shall at a minimum require the following:

(a) All participants in the pool are jointly and severally liable for all claims and expenses of the pool;

(b) Each pool shall contract with a service company licensed by the commissioner to provide or contract for all administrative services required by the pool. No vendor of risk management services or entity administering a self insurance plan under this section may transact such business in this state unless it is licensed to do so by the commissioner. An applicant for a license shall state in writing the type of activities it seeks authorization to engage in and the type of services it seeks authorization to provide. The license shall be granted only when the commissioner is satisfied that the entity possesses the necessary organization, background, expertise, and financial integrity to supply the services sought to be offered. The commissioner may issue a license subject to restrictions or limitations upon the authorization, including the type of services which may be supplied or the activities which may be engaged in. The license fee shall be \$100. All licenses shall be for a period of two years;

(c) The service company has sole responsibility for the settlement of all claims against the pool or its members for which the pool may provide indemnification;

(d) A minimum premium volume for each pool shall be established. The minimum premium volume may differ because of the kinds of coverage provided, and the limits of liability for the coverage;

(e) All premiums or other assessments due to the pool from members shall be payable prior to the period for which coverage is being provided, or at equal intervals throughout the period;

(f) Premiums shall either be established by an actuary approved by the commissioner or shall be premiums filed by a licensed rate service organization with reductions permitted solely for administrative or premium tax savings;

(g) The commissioner may require each pool to purchase excess insurance above certain limits and in a particular form. The limits or form of the excess insurance may differ based on the kinds of coverage offered by a pool, the limits of liability of the coverage, and the revenues available to pool members for the payment of premiums or assessments;

(h) Each pool shall be audited annually by a certified public accountant;

(i) Limitations on the payment of dividends to pool members may be established as necessary to assure the solvency of the pool;

(j) No participant may withdraw from a pool for a period of at least three years after its initial entry into the pool;

(k) *The amount of any liabilities in excess of assets shall be assessed to members of the pool within 30 days after a deficiency is identified and shall be payable by the member within 90 days;*

(l) *The investment policies of the pool shall be governed by the laws governing investments by cities pursuant to section 475.66;*

(m) *Pools shall be subject to the standards of unfair methods of competition and unfair or deceptive acts or practices established in Minnesota Statutes, Chapter 72A;*

(n) *Other requirements that are necessary to protect the solvency of the pool, the rights and privileges of claimants against the pool, and citizens of the members of the pool shall be included in the rules.*

Sec. 8. [APPROPRIATION.] *The sum of \$. is appropriated from the general fund to the commissioner of insurance for the purposes of this act.*

Sec. 9. [EFFECTIVE DATE.] *This act is effective July 1, 1980."*

Amend the title as follows:

Page 1, line 4, after the semicolon insert "appropriating money;"

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

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

S. F. No. 2291: A bill for an act relating to natural resources; authorizing additions to and deletions from certain state parks and authorizing land acquisition in relation thereto.

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

Page 2, delete lines 14 to 33

Page 3, delete lines 1 to 33

Page 4, delete line 3 and insert "The"

Page 5, delete lines 14 to 17

Page 6, delete lines 12 to 33

Page 7, delete lines 1 to 23

Page 10, delete lines 24 to 30 and insert:

"[85.012] [Subd. 29.] Subd. 4. [ITASCA STATE PARK.] The following areas are added to Itasca State Park: The South Half of the Northeast Quarter of Section 34, Township 144 North, Range 36 West.

[85.012] [Subd. 30.] Subd. 5. [JAY COOKE STATE PARK.] The following areas are deleted from Jay Cooke State Park:

That part of the Southeast Quarter of Section 3 lying northwesterly of the northwesterly right-of-way line of the Burlington Northern, Inc. Railway; all of Section 25; that part of the North-

east Quarter of the Southeast Quarter and the East Half of the Northeast Quarter of Section 26 lying easterly of the Burlington Northern, Inc. Railway; that part of the Southeast Quarter of the Southeast Quarter of Section 23 lying southeasterly of Minnesota Highway 23 and northeasterly of the Burlington Northern, Inc. Railway; that part of Section 24 lying southeasterly of Minnesota Highway 23; that part of the Northeast Quarter, the Southwest Quarter and the Southeast Quarter of Section 13 lying southeasterly of Minnesota Highway 23; all being in Township 48 North, Range 16 West.

All of Sections 19 and 30; that part of the South Half of the South Half of Section 7 lying southeasterly of Minnesota Highway 23; that part of Section 18 lying southeasterly of Minnesota Highway 23; all in Township 48 North, Range 15 West."

Pages 11 to 13, delete subdivision 7 and insert:

"[85.012] [Subd. 42.] Subd. 7. [MILLE LACS KATHIO STATE PARK.] (a) The following areas are added to Mille Lacs Kathio State Park:

The westerly 200 feet of Government Lot 3 in Section 2 lying southerly of U.S. Highway No. 169; all in Township 42 North, Range 27 West.

(b) The following areas are deleted from Mille Lacs Kathio State Park:

That part of Government Lots 1 and 2 and the Southeast Quarter of the Southeast Quarter in Section 12 lying northerly of the northerly right-of-way line of U.S. Highway No. 169.

That part of Government Lot 4 in Section 12 lying west of northerly extension of the west line of Government Lot 3 of said Section 12.

That part of the Southeast Quarter of the Northeast Quarter and Government Lot 1 in Section 11 lying northerly of the following described lines:

Commencing at the iron monument at the east quarter corner of said Section 11; thence North 0 degrees 44 minutes 43 seconds East, assumed bearing of 1246.00 feet along the east line of said Section 11 to point "A"; thence South 0 degrees 44 minutes 43 seconds West, 600.00 feet along the east line of said Section 11; thence West, 1495.01 feet; thence North 00 degrees 44 minutes 43 seconds East, 799.00 feet to the point of beginning of the line to be described; thence East, 793.34 feet to the westerly line of a 66 foot wide road easement; thence South 6 degrees 26 minutes 55 seconds East, 28.87 feet along the westerly line of said road easement; thence southerly 138.27 feet along a tangential curve concave to the west having a radius of 179.04 feet and a central angle of 44 degrees 14 minutes 52 seconds continuing along the westerly line of said road easement; thence South 52 degrees 12 minutes 03 seconds East, 66 feet radially to said road easement to the east line of said road easement; thence East, 680.12 feet to point "A" on the east line of said Section 11 and there terminating.

That part of Government Lots 1, 2, 3 and 4 and the Northwest Quarter of the Southeast Quarter and the Northeast Quarter of the Southwest Quarter in Section 3 lying northerly of the northerly right-of-way of U.S. Highway No. 169.

That part of Government Lot 1 in Section 4 lying northerly of the northerly right-of-way line of U.S. Highway No. 169 and easterly of the following described line:

Commencing at the intersection of the east line of said Government Lot 1 and the southerly right-of-way line of County State Aid Highway No. 35, formerly U.S. Highway No. 169, which point is 72.6 feet south of the meander corner on said east line; thence in a northwesterly direction along said southerly right-of-way line at an angle measured from said east line of 75 degrees 10 minutes a distance of 267.0 feet to point "A"; thence deflect 90 degrees 05 minutes to the left in a southwesterly direction to intersect the northerly right-of-way of U.S. Highway No. 169 a distance of 144.15 feet, more or less; thence northwesterly along the said right-of-way 98.5 feet to the point of beginning; thence northeasterly a distance of 128.75 feet, more or less, to intersect said southerly right-of-way line of County State Aid Highway No. 35 a distance of 98.5 feet northwesterly of point "A"; thence southeasterly a distance of 31.0 feet along said southerly right-of-way line towards point "A"; thence northeasterly at right angles to the shore line of Mille Lacs Lake and there terminating.

All in Township 42 North, Range 27 West.

All of Government Lots 1 and 2 in Section 33, Township 43 North, Range 27 West."

Page 13, after line 7, insert:

"[85.012] [Subd. 49a.] Subd. 8. [ST. CROIX WILD RIVER STATE PARK.] The following areas are added to St. Croix Wild River State Park:

All of the Southeast Quarter of the Southwest Quarter and the Southwest Quarter of the Southeast Quarter in Section 36, Township 36 North, Range 20 West.

That part of the Northwest Quarter of the Southeast Quarter in Section 36, Township 36 North, Range 20 West, lying southerly of the following described line: Beginning at a point on the north line of the said Northwest Quarter of the Southeast Quarter, 176 feet West of the northeast corner of the said Northwest Quarter of the Southeast Quarter; thence southwesterly in a straight line to a point on the west line of said Northwest Quarter of the Southeast Quarter, 564 feet North of the southwest corner of the said Northwest Quarter of the Southeast Quarter and there terminating.

That part of the Southwest Quarter of the Southwest Quarter in Section 36, Township 36 North, Range 20 West, lying southerly of the following described lines: Beginning at a point of the east line of the Southwest Quarter of the Southwest Quarter, a distance of 86 feet South of the northeast corner thereof; thence

South 59 degrees 34 minutes West, 370 feet; then South 76 degrees 28 minutes West, 555 feet; thence South 59 degrees 45 minutes West, 540 feet to a point on the west line of said Southwest Quarter of the Southwest Quarter, a distance of 587 feet north of the southwest corner thereof and there terminating. The Northwest Quarter of the Northwest Quarter in Section 3, Township 35 North, Range 20 West."

Page 13, after line 19 insert:

"Any land which now is tax-forfeited land and is located within the adjusted boundaries of Scenic State Park is hereby withdrawn from sale and is transferred from the custody, control, and supervision of the county board of the county to the commissioner of natural resources, free from any trust in favor of the interested taxing districts. The transfer of such tax-forfeited land is effective only after an amount equal to the fair market value of the land is paid by the commissioner to the county. Any money appropriated for state park land acquisition may be expended for this payment related to tax-forfeited land. The county auditor shall apportion this money in the manner provided in Minnesota Statutes, Section 282.08 for the apportionment of proceeds from the sale of tax-forfeited lands. The commissioner shall execute a certificate of acceptance of the lands on behalf of the state and shall transmit the same to the county auditor of the county for record as provided by law in the case of tax-forfeited land transferred to the commissioner by resolution of the county board for conservation purposes."

Page 13, delete lines 29 to 33

Page 14, delete lines 1 to 17

Renumber the subdivisions in sequence

Page 15, after line 4, insert:

"Sec. 2. The commissioner of natural resources may convey to the county of Kandiyohi in a form of conveyance to be approved by the attorney general the following described property within the statutory boundaries of Sibley State Park:

That part of Subdivision Lots 1, 2, 15, and 16 of Subdivision of Government Lots 2, 3, and 4 of Section 4, Township 121 North, Range 35 West, described as follows:

Commencing at the northwest corner of said Government Lot 4; thence on an assumed bearing of South, 90.66 feet along the west of said Government Lot 4 to the point of beginning; thence East, 475.00 feet; thence South, 960.00 feet; thence West 365 feet, more or less, to the center line of C.S.A.H. 5; thence northwesterly along said centerline of C.S.A.H. 5 to the west line of said Government Lot 4; thence North along said west line of Government Lot 4 to the point of beginning; containing 10 acres, more or less.

The conveyance shall be made in exchange for the conveyance to the state by Kandiyohi county of the following described property within the statutory boundaries of Sibley State Park:

Lot 5 of Government Lots 1 and 6 and the Northwest Quarter of the Northeast Quarter of Section 3, Township 121 North, Range 35 West, containing 10 acres, more or less.

Sec. 3. [WHITEWATER STATE PARK; EXCLUSION OF LANDS.] Subdivision 1. Upon compliance with the requirements set forth in this section all privately owned lands within the boundaries of Whitewater State Park in Winona County are excluded from the park with the exception of the following described lands:

(1) The Southwest quarter of the Southwest quarter of the Southwest quarter of Section 16;

(2) The South half of the North half of the Northeast quarter of Section 19;

(3) The South half of the Northwest quarter of the Northwest quarter of Section 20;

(4) The West half of the Northwest quarter of the Northwest quarter of Section 21; and

(5) The West half of the Southwest quarter of the Southeast quarter of Section 29;

All in Township 107 North of Range 10 West of the 5th P.M. in the county of Winona.

Subd. 2. As a condition for the removal of any land from the statutory boundaries of the Whitewater State Park as defined in subdivision 1, the owner of the land must first grant a scenic easement, as defined by Minnesota Statutes, Section 104.37, Subdivision 1, on the property to the commissioner of natural resources, in a form prescribed by the commissioner. The commissioner shall prepare an easement agreement no later than 90 days following the written request of the landowner without charge to the landowner. No easement shall interfere with a landowner's right to maintain and modify existing structures or construct appurtenant structures, nor shall it prevent the landowner from continuing current agricultural use of the land, including the harvesting of timber for lumber or firewood as directed in a timber management plan prepared by a professional forester, nor shall it pertain to any tract or tracts which are more than 30 feet back from the top of the bluffs and which cannot be seen from any point on the current route of trunk highway 74 where the highway currently passes through the park. The commissioner shall have the authority to grant variances from any agreement made pursuant to this section.

Subd. 3. If any owner or owners of land excluded by subdivision 1 shall subsequently offer the land or any portion thereof for sale, the commissioner of natural resources may offer to purchase the land. If the owner sells the property to the commissioner, the park boundary shall be changed to include the land thus purchased.

Subd. 4. The commissioner of natural resources may acquire by negotiation, for a purchase price to be agreed upon, trail ease-

ments over the land excluded from Whitewater State Park pursuant to this section.

Sec. 4. The commissioner of natural resources, in the name of the state, may quitclaim and convey the following described state lands included in Traverse des Sioux state park to the city of St. Peter on the condition that the city agrees to operate and maintain the same as a public park. The lands shall be conveyed in such form as the attorney general shall prescribe and the conveyance shall contain a provision that the lands shall revert to the state in the event the city fails to maintain and operate the same as a public park:

All those parts and portion of Government Lot 6 in Section 10 and of Government Lot 4 in Section 15 lying westerly of the Minnesota River as the same now exists, all in Township 110 North, Range 26 West.

All those parts and portion of Government Lot 5 in Section 10 and the Northwest Quarter of the Northeast Quarter in Section 15, lying westerly of the Minnesota River as the same now exists, all in Township 110 North, Range 26 West.

All that part of the south 40.80 acres of Government Lot 7, Section 10, Township 110 North, Range 26 West, lying easterly of the easterly right-of-way line of U.S. 169. Said south 40.80 acres being platted into Blocks 1 through 17, inclusive and Block A of McLeod's addition to Traverse.

All of Government Lot 9 and Government Lot 8, except the North 20 acres of Government Lot 8, Section 10, Township 110 North, Range 26.

All of Government Lots 10 and 11, the Southwest Quarter of the Northwest Quarter, the north 20 acres of Government Lot 7, and the North 20 acres of Government Lot 8, all in Section 10, Township 110 North, Range 26 West.

All of Lots 4, 5, 6 and 7 in Block 100 of the Town of Traverse des Sioux, South of Sibley Street, and that part of Lots 8, 9, 10 and 11 in Block 100 lying westerly of the west right-of-way line of Trunk Highway No. 169.

All that part of Lots 1 through 6, inclusive of Block 106, Prational 107, and Lots 6 and 7 of Block 108 of Traverse des Sioux, south of Sibley Street, lying easterly of the easterly right-of-way of U.S. 169.

Also all that part of the following described land lying southerly of the northerly line of McCann Street:

Beginning at the southeasterly corner of Lot Six (6) of Block 116 on the north line of McCann Street in the town of Traverse des Sioux south of Sibley Street; thence southwesterly to a point where the west line of First or Main Street intersects the south line of McCann Street; thence westerly along said south line of McCann Street to the east line of Third Street; thence at right angles southerly along said east line of Third Street five hundred

and ten (510) feet; thence at right angles easterly one hundred and fifty (150) feet to the north line of Rice Street; thence at right angles easterly along said north line of Rice Street five hundred and ten (510) feet; thence at right angles southerly to the east line of Section Nine (9), Township 110 North, Range 26 West; thence North along said section line to a point where the north line of McCann Street extended intersects the said Section line; thence westerly along the north line of McCann Street extended to the point of beginning; EXCEPTING the right-of-way of U.S. 169. Meaning hereby to convey part of the town plat of Traverse des Sioux vacated by the order of the District Court of said county on the 22nd day of May A.D. 1877.

Sec. 5. After the conveyance of lands described in section 4, the authority of the department of natural resources and its division of parks and recreation, or any successor thereto, to administer and control the following described historic site at Traverse des Sioux is hereby withdrawn, and is hereby conferred upon the Minnesota Historical Society. The society shall exercise the general administration and control of such sites, preserve its historic features, conduct archaeological investigations, establish necessary interpretive centers, and perform such additional duties and services at the site as may be deemed necessary and beneficial:

All of Blocks Numbered 11, 12, 13, 18, 19, 20, 25, 26, 27, all being in Traverse des Sioux, North of Sibley Street, according to the plat thereof on file and of record in the office of the Register of Deeds in and for Nicollet County, Minnesota.

EXCEPTING THEREFROM: Part of Block 27, Traverse des Sioux, North of Sibley Street, according to the plat thereof on file and of record in the office of the Register of Deeds in and for Nicollet County, Minnesota, described as follows:

Commencing at the southeast corner of Block No. 27 in Traverse des Sioux, North of Sibley Street; thence westerly 100 feet parallel with the southerly boundary line of said Block 27; thence northerly parallel with the easterly boundary line of said Block 27 a distance of 200 feet; thence easterly parallel with the northerly boundary line of said Block 27, a distance of 100 feet; thence southerly along the easterly boundary line of said Block 27, a distance of 200 feet to the place of beginning, all according to the map or plat thereof on file and of record in the office of the Register of Deeds within and for Nicollet County, Minnesota. Said premises lying immediately north of the land owned by one Melvin Changler, on October 13, 1953.

All that part of Government Lot 8, Section 4, Township 110 North, Range 26 West, lying westerly of the Minnesota River as it now exists and easterly of the easterly right-of-way of U.S. Highway 169. Blocks 29, 30, 31, 32, 36, 37, 38, 39, 45, and 46, together with all vacated streets and alleys contiguous to or apart thereof as shown and vacated by those certain Orders and Decrees of the District Court of said Nicollet County dated October 20, 1914, October 11, 1927, and June 23, 1969, and recorded in the office of the Register of Deeds in and for said Nicollet County on January

4, 1915, in Book "34" of Deeds, on page 576, October 18, 1927, in Book "45" of Deeds, pages 558-559, and June 24, 1969, in Book "123" of Deeds, pages 199-200, respectively, all in Traverse des Sioux, North of Sibley Street, according to the plat thereof, on file in the office of the Register of Deeds in and for said Nicollet County,

EXCEPTING THEREFROM: The right-of-way of U.S. Highway 169. Also, that part of the following described lands lying easterly of U.S. 169:

Commencing on the west bank of the Minnesota River, at a point where an easterly extension of the south line of Ash Street in the town of Traverse des Sioux would intersect said river; thence running westerly along said south line of Ash Street to the east line of Third Street; thence at right angles southerly along said east line of Third Street to the north line of Thomson Street; thence at right angles easterly along said north line of Thomson Street, 940 feet; thence southerly to and along the east line of Blocks 115 and 116 to an existing east-west fence located in Lot 8, Block 116; thence southerly along the east line of Block 116 to the southeasterly corner of Lot 6 in said Block 116 being on the north line of McCann Street; thence easterly along the northerly line of McCann Street extended to the east line of Section 9; thence north along said section line to the Minnesota River; thence along the west bank of said river to the place of beginning; meaning hereby to convey that part of the town plat of Traverse des Sioux vacated by the order of the District Court of said county on the 22nd day of May A.D., 1877. Excepting therefrom the existing U.S. Highway 169 right-of-way, in fee, to the State of Minnesota. Also all of Block 115 and that part of Block 112 lying east of the existing east right-of-way line of Trunk Highway 169, that part of Block 116 lying north of an existing east-west fence located in Lots 2 and 8 of said block, that part of Block 111 lying east of existing east right-of-way of Trunk Highway 169 and north of an existing east-west fence located in Lot 12 of said block. All in the town of Traverse des Sioux, according to the plat thereof.

Also, all of Lots 3, 4, 5, 6 and 7 in Block 116, and that part of Lot 2 and 8 in Block 116 lying southerly of the existing east-west fence. All of Lots 8, 9, 10, 11 in Block 111, and that part of Lot 12 in Block 111 lying southerly of the existing east-west fence. All the aforesaid Lots and Blocks in the town of Traverse des Sioux according to the plat thereof on file in the Office of the Register of Deeds in and for said County of Nicollet.

Sec. 6. After the conveyance of lands described in section 4, and in the manner provided in Minnesota Statutes 1978, Section 15.16, and other applicable law, the commissioners of natural resources shall transfer custodial control of lands in Traverse des Sioux state park, other than those described in sections 4 and 5 of this act, to the Minnesota department of transportation.

Sec. 7. Upon completion of the conveyance and transfers authorized by this act, Minnesota Statutes 1978, Section 85.012, Subdivision 56 is repealed."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, after "acquisition" insert "and sales"

Page 1, line 5, after "thereto" insert "; discontinuing Traverse des Sioux state park; repealing Minnesota Statutes 1978, Section 85.012, Subdivision 56"

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

Mr. McCutcheon from the Committee on Taxes and Tax Laws, to which was referred

S. F. No. 2225: A bill for an act relating to taxation; providing for the assessment of electric transmission and distribution lines; defining "parcel" for purposes of the transmission line property tax credit; amending Minnesota Statutes 1978, Sections 273.36; 273.38; Minnesota Statutes, 1979 Supplement, Section 273.42, Subdivision 2; and Laws 1979, Chapter 303, Article II, Section 39; repealing Minnesota Statutes 1978, Section 273.37; and Minnesota Statutes, 1979 Supplement, Section 273.42, Subdivision 1.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1978, Section 273.36, is amended to read:

273.36 [ELECTRIC LIGHT AND POWER COMPANIES.] Personal property of electric light and power companies having a fixed situs in any city in this state shall be listed and assessed where situated, without regard to where the principal or other place of business of the company is located. *Transmission lines having a voltage of 69 kv and above, all attachments and appurtenances thereto, having a fixed situs in this state shall be listed and assessed where situated, without regard to where the principal or other place of business of the company is located.*

Sec. 2. Minnesota Statutes 1978, Section 273.37, Subdivision 2, is amended to read:

Subd. 2. All Transmission lines of less than 69 kv and distribution lines, and equipment attached thereto, having a fixed situs outside the corporate limits of cities except distribution lines taxed as provided in sections 273.40 and 273.41, shall be listed with and assessed by the commissioner of revenue in the county where situated. The commissioner shall assess such property at the percentage of market value fixed by law; and, on or before the fifteenth day of November, shall certify to the auditor of each county in which such property is located the amount of the assessment made against each company and person owning such property.

Sec. 3. Minnesota Statutes, 1979 Supplement, Section 273.42, is amended to read:

273.42 [RATE OF TAX; ENTRY AND CERTIFICATION; CREDIT ON PAYMENT; PROPERTY TAX CREDIT.] Subdivision 1. The property set forth in section 273.37, subdivision 2, consisting of transmission lines of *less than 69 kv*, and distribution lines not taxed as provided in sections 273.38, 273.40 and 273.41 shall be taxed at the average rate of taxes levied for all purposes throughout the county and shall be entered on the tax lists by the county auditor against the owner thereof and certified to the county treasurer at the same time and in the same manner that other taxes are certified, and, when paid, shall be credited, 35 percent to the general revenue fund of the county, 50 percent to the general school fund of the county, and 15 percent to the townships within the county in which the lines are located, after deducting the amount required for the property tax credit as provided in subdivision 2. The amount available for distribution to the townships shall be divided among the townships in the same proportion that the length of transmission line in each township bears to the total length of transmission line in the county; ~~except that if a payment to a town exceeds ten percent of the town's levy for the preceding year, the excess amount shall be paid to the county.~~

Subd. 2. Owners of land defined as class 3, 3b, 3c, 3cc, 3d or 3f pursuant to section 273.13 listed on records of the county auditor or county treasurer over which runs a high voltage transmission line as defined in section 116C.52, subdivision 3, except a high voltage transmission line the construction of which was commenced prior to July 1, 1974, shall receive a property tax credit in an amount determined by multiplying a fraction, the numerator of which is the length of high voltage transmission line which runs over that parcel and the denominator of which is the total length of that particular line running over all property within the ~~county~~ *city or township* by ten percent of the transmission line tax revenue derived from the tax on that ~~portion of the line within the city or township~~ pursuant to ~~this~~ section 273.36. Where a right-of-way width is shared by more than one property owner, the numerator shall be adjusted by multiplying the length of line on the parcel by the proportion of the total width on the parcel owned by that property owner. The amount of credit for which the property qualifies shall not exceed 20 percent of the total gross tax on the parcel prior to deduction of the state paid agricultural credit and the state paid homestead credit. *provided that, if the affected parcel is included on the property tax statement of the landowner as part of a parcel which exceeds 40 acres, the total gross tax on the parcel shall be multiplied by a fraction, the numerator of which is 40 and the denominator of which is the total number of acres in the parcel set forth on the tax statement, and the maximum credit shall be 20 percent of the product of that computation, prior to deduction of those credits. The auditor of the county in which the affected parcel is located shall calculate the amount of the credit due for each parcel and*

transmit that information to the county treasurer. The county auditor, in computing the credits received pursuant to sections 273.13 and 273.135, shall reduce the gross tax by the amount of the credit received pursuant to this section, unless the amount of the credit would be less than \$10.

Sec. 4. Minnesota Statutes, 1979 Supplement, Section 275.51, Subdivision 3d, is amended to read:

Subd. 3d. The property tax levy limitation for governmental subdivisions in 1977 payable in 1978 and subsequent years shall be calculated as follows:

(a) The sum of the following amounts shall be computed: (1) the property tax permitted to be levied in 1976 payable 1977 computed pursuant to Minnesota Statutes 1976, Section 275.51, Subdivision 3c, plus

(2) the amount of any state aids the governmental subdivision was entitled to receive in calendar year 1977 pursuant to sections 477A.01; 298.26; 298.28, subdivisions 1 and 1a; 298.281, subdivision 1; 298.282; and 294.26, plus

(3) the amount levied in 1976 payable 1977 pursuant to Minnesota Statutes 1976, Section 275.50, Subdivision 5, Clauses (a), (c), (d), (e), and (f), except for levies made to pay tort judgments and make settlements of tort claims or to pay the salaries and benefits of municipal and probate court judges, plus

(4) the amount levied in 1976 payable 1977 pursuant to Minnesota Statutes 1976, Section 275.50, Subdivision 5, Clause (g) for the administrative costs of public assistance programs or county welfare systems, plus

(5) one-half of the amount of the special levy authorized under section 275.50, subdivision 5, clause (n) shall be added to the permanent levy limit base of the governmental subdivision in the year following the year in which it has been discontinued as a special levy pursuant to the provisions of section 275.50, subdivision 5, clause (n).

(b) The sum computed in clause (a) shall be increased annually in the manner provided in section 275.52 to derive the levy limit base for successive years.

(c) For taxes levied in 1978 payable 1979 and subsequent years, the levy limit base is the levy limit base which was computed for the immediately preceding year under the provisions of this section increased according to the provisions of section 275.52. To determine the levy limit base for taxes levied in 1979 payable 1980 and subsequent years, (a) the levy limit base used for taxes levied in 1979 payable in 1980 shall be increased by the excess of the amount levied in 1979 for refuse collection and street maintenance over the amount levied in 1978 payable 1979 for those purposes; and (b) in the case of a city of the first class located within the metropolitan area defined in section 473.121, subdivision 2, for the purpose of calculating the levy limit base to be used for taxes

levied in 1979, payable 1980, the levy limit base used for taxes levied in 1978, payable 1979, shall be reduced by an amount sufficient to reduce the levy limitation for taxes levied in 1978 payable 1979 by 15 percent. *To determine the levy limit base used for taxes levied in 1981 payable in 1982 and subsequent years, the levy limit base used for taxes levied in 1981 payable in 1982 shall be increased by the revenue derived by the governmental subdivision for taxes levied in 1980 payable in 1981 from property assessed under Minnesota Statutes 1978, Section 273.37.* Any amount levied in 1976 payable 1977 under the provisions of section 275.50, subdivision 5, clauses (a), (c), (d), (e) or (f) to meet the costs of programs, services or legal requirements which cease to exist in a subsequent year shall be subtracted from the levy limit base in the year in which the programs, services or legal requirements for which the levy was made cease to exist.

(d) The levy limit base shall be reduced by the total amount of state formula aids pursuant to section 477A.01 and taconite taxes and aids pursuant to sections 294.26; 298.26; 298.28, subdivision 1; 298.282 and state reimbursements for wetlands property tax exemptions provided in section 272.02, subdivision 1, clause (16); and the payments in lieu of taxes to a county pursuant to section 477A.12 which are required to be used to provide property tax levy reduction, to be paid in the calendar year in which property taxes are payable. As provided in section 298.28, subdivision 1, for taxes payable in 1978 and 1979, two cents per taxable ton, and for taxes payable in 1980 and thereafter, one cent per taxable ton of the amount distributed under section 298.28, subdivision 1, clause (4) (c) shall not be deducted from the levy limit base of the counties that receive that aid. The resulting figure is the amount of property taxes which a governmental subdivision may levy for all purposes other than those for which special levies and special assessments are made.

Sec. 5. Laws 1979, Chapter 303, Article II, Section 39, is amended to read:

Sec. 39. [EFFECTIVE DATE.] Sections 5, 8, 18, 19 and 24, except as otherwise provided and 38, subdivision 2 1, are effective for taxes levied in 1980 payable in 1981 and thereafter.

Sections 6, 16 and 17 are effective for taxes levied in 1979 payable 1980 and thereafter.

Sections 20, 21 and 38, subdivision 2, are effective for 1981 payable 1982 and thereafter.

Sections 28 to 34 are effective for claims based on property taxes payable in 1980 and rent constituting property taxes in 1979 and subsequent years, except that section 28, subdivision 3, clause (f) is effective for property tax refund claims based on rent paid in 1976 and property taxes payable in 1977 and subsequent years.

Sec. 6. [EFFECTIVE DATE.] *Sections 1 to 3 are effective for taxes levied in 1981 and thereafter, and payable in 1982 and thereafter."*

Amend the title as follows:

Page 1, line 4, delete "defining "parcel" for purposes" and insert "revising the limit on the amount"

Page 1, line 6, delete "273.38" and insert "273.37, Subdivision 2"

Page 1, line 7, delete "Section" and insert "Sections" and after "273.42" delete the comma

Page 1, line 8, delete "Subdivision 2" and insert "; and 275.51, Subdivision 3d"

Page 1, line 9, delete "; repealing Minnesota Statutes 1978," and insert a period

Page 1, delete lines 10 and 11

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

Mr. Coleman from the Committee on Rules and Administration, to which were referred

H. F. Nos. 1899, 753, 1723, 1349 and 942 for comparison with companion Senate Files, reports the following House Files were found identical and recommends the House Files be given their second reading and substituted for their companion Senate Files as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H. F. No.	S. F. No.	H. F. No.	S. F. No.	H. F. No.	S. F. No.
1899	1654	1349	2307		
753	1909	942	2354		
1723	1858				

and that the above Senate Files be indefinitely postponed.

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

Mr. Coleman from the Committee on Rules and Administration, to which was referred

H. F. No. 2152 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H. F. No.	S. F. No.	H. F. No.	S. F. No.	H. F. No.	S. F. No.
2152	2119				

and that the above Senate File be indefinitely postponed.

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

Mr. Coleman from the Committee on Rules and Administration, to which were referred

H. F. Nos. 1987, 1884, 1727 and 2191 for comparison with companion Senate Files, reports the following House Files were found not identical with their companion Senate Files as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H. F. No.	S. F. No.	H. F. No.	S. F. No.	H. F. No.	S. F. No.
1987	2192				
1884	1788				
1727	2348				
2191	1721				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H. F. No. 1987 be amended as follows:

Page 2, line 21, delete "*other than*" and insert "*not*"

Page 2, line 22, before "*effective*" insert "*time of the*" and after "*act*" delete the comma

Page 4, line 3, delete "*other than*" and insert "*not*"

Page 4, line 4, before "*effective*" insert "*time of the*" and after "*act*" delete the comma

And when so amended H. F. No. 1987 will be identical to S. F. No. 2192, and further recommends that H. F. No. 1987 be given its second reading and substituted for S. F. No. 2192, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H. F. No. 1884 be amended as follows:

Page 3, line 25, after "*students*" delete the comma

Page 3, line 27, after "*programs*" delete the comma

Amend the title as follows:

Page 1, line 2, after "*modifying*" insert "*certain*"

Page 1, lines 6 and 7, delete "*modifying a visitation and reporting duty of the state university board;*"

And when so amended H. F. No. 1884 will be identical to S. F. No. 1788, and further recommends that H. F. No. 1884 be given its second reading and substituted for S. F. No. 1788, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H. F. No. 1727 be amended as follows:

Page 4, delete line 33

Page 5, delete lines 1 to 17

Renumber the sections accordingly

Amend the title as follows:

Page 1, lines 11 and 12, delete "and Chapter 259, by adding a section;"

And when so amended H. F. No. 1727 will be identical to S. F. No. 2348, and further recommends that H. F. No. 1727 be given its second reading and substituted for S. F. No. 2348, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H. F. No. 2191 be amended as follows:

Page 27, line 32, delete "who" and insert "for which he"

Page 27, line 33, delete "for" and insert "to"

And when so amended H. F. No. 2191 will be identical to S. F. No. 1721, and further recommends that H. F. No. 2191 be given its second reading and substituted for S. F. No. 1721, and that the Senate File be indefinitely postponed.

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

Mr. Coleman from the Committee on Rules and Administration, to which were referred

H. F. Nos. 1534 and 2369 for comparison with companion Senate Files, reports the following House Files were found not identical with their companion Senate Files as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H. F. No.	S. F. No.	H. F. No.	S. F. No.	H. F. No.	S. F. No.
1534	1549				
2369	2317				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H. F. No. 1534 be amended as follows:

Page 2, delete lines 16 to 33

Page 3, delete lines 1 to 6

Page 3, line 7, delete "3" and insert "2"

Delete page 4, line 22 to page 8, line 4

Amend the title as follows:

Page 1, lines 4 and 5, delete "providing that the county recorder be notified of deferred assessments;"

Page 1, line 6, delete "273.111,"

Page 1, line 7, delete "Subdivision 11;" and "375.14;"

Page 1, delete line 8

Page 1, line 9, delete "subdivision;"

And when so amended H. F. No. 1534 will be identical to S. F.

No. 1549, and further recommends that H. F. No. 1534 be given its second reading and substituted for S. F. No. 1549, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H. F. No. 2369 be amended as follows:

Page 89, line 8, restore stricken language

Page 123, delete lines 9 to 33

Page 124, delete lines 1 to 8 and insert

"Sec. 181. Minnesota Statutes, 1979 Supplement, Section 609.341, Subdivision 13, is amended to read:

Subd. 13. "Complainant" means a person ~~alleging~~ *alleged* to have been subject to criminal sexual conduct, but need not be the person who signs the complaint."

Page 150, delete lines 12 to 16 and insert

"Sec. 181. *Explanation.* The use of the word "alleging" is confusing and awkward. The amendment clarifies the meaning and conforms with the clear legislative intent."

Page 153, line 9, delete "197" and insert a blank

Amend the title as follows:

Page 2, line 32, delete "626.556, Subdivision 2" and insert "609.341, Subdivision 13"

And when so amended H. F. No. 2369 will be identical to S. F. No. 2317, and further recommends that H. F. No. 2369 be given its second reading and substituted for S. F. No. 2317, and that the Senate File be indefinitely postponed.

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

SECOND READING OF SENATE BILLS

S. F. Nos. 2394, 2395, 2400, 1693, 1944, 1607, 2149, 1686, 1680, 1752, 1448, 2284, 1262, 2353, 1694, 2291 and 2225 were read the second time and referred to the Subcommittee on Bill Scheduling of the Committee on Rules and Administration.

SECOND READING OF HOUSE BILLS

H. F. Nos. 1899, 753, 1723, 1349, 942, 2152, 1987, 2369, 1534, 1884, 1727 and 2191 were read the second time.

H. F. Nos. 1302, 1145, 1895 and 475 were read the second time and referred to the Subcommittee on Bill Scheduling of the Committee on Rules and Administration.

MOTIONS AND RESOLUTIONS

Mr. Stumpf moved that the names of Messrs. Hanson, Coleman and Davies be added as co-authors to S. F. No. 2201. The motion prevailed.

Mr. Merriam moved that the name of Mr. Stumpf be added as co-author to S. F. No. 2362. The motion prevailed.

Mr. Perpich moved that H. F. No. 1816 be withdrawn from the Committee on Health, Welfare and Corrections and re-referred to the Committee on Rules and Administration for comparison with S. F. No. 1944 now in the Subcommittee on Bill Scheduling. The motion prevailed.

Mr. Tennessen moved that H. F. No. 1995 be withdrawn from the Committee on Commerce and re-referred to the Committee on Rules and Administration for comparison with S. F. No. 1668. The motion prevailed.

Mr. Tennessen moved that H. F. No. 2302 be withdrawn from the Committee on Commerce and re-referred to the Committee on Rules and Administration for comparison with S. F. No. 2284 now in the Subcommittee on Bill Scheduling. The motion prevailed.

Mr. Schaaf moved that S. F. No. 1639 be withdrawn from the Committee on Governmental Operations and re-referred to the Committee on Finance. The motion prevailed.

S. F. No. 1584 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S. F. NO. 1584

A bill for an act relating to transportation; providing for specific information signing for resorts and recreational camping areas along certain highways.

March 19, 1980

The Honorable Edward J. Gearty
President of the Senate

The Honorable Fred C. Norton
Speaker of the House of Representatives

We, the undersigned conferees for S. F. No. 1584, 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) Gerald L. Willet, Douglas J. Johnson, Dave Rued

House Conferees: (Signed) John A. Ainley, Carl W. Kroening, David P. Battaglia

Mr. Willet moved that the foregoing recommendations and Conference Committee Report on S. F. No. 1584 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. 1584 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 66 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

MOTIONS AND RESOLUTIONS—CONTINUED

Mr. Lessard introduced—

Senate Resolution No. 52: A Senate resolution relating to extending congratulations to William "Bill" Baker for his accomplishments in participating in the XIII Olympic Winter Games as a member of the United States Hockey Team.

Referred to the Committee on Rules and Administration.

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

CALENDAR

S. F. No. 1573: A bill for an act relating to employment; prohibiting cities from establishing residency requirements as a condition of employment.

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 61 and nays 4, as follows:

Those who voted in the affirmative were:

Anderson	Gearty	Laufenburger	Peterson	Stokowski
Ashbach	Gunderson	Lessard	Pillsbury	Strand
Bang	Hanson	Luther	Purfeerst	Stumpf
Barrette	Hughes	Menning	Rued	Tennessen
Benedict	Humphrey	Merriam	Schaaf	Ueland, A.
Bernhagen	Jensen	Moe	Schmitz	Ulland, J.
Brataas	Johnson	Nelson	Sieloff	Vega
Chmielewski	Keefe, J.	Nichols	Sikorski	Wegener
Coleman	Keefe, S.	Olhoff	Sillers	Willet
Davies	Kirchner	Olson	Solon	
Dieterich	Kleinbaum	Omann	Spear	
Dunn	Knaak	Penny	Staples	
Frederick	Knoll	Perpich	Stern	

Messrs. Engler, Knutson, Ogdahl and Setzepfandt voted in the negative.

So the bill passed and its title was agreed to.

H. F. No. 1169: A bill for an act relating to census taking; providing for the taking of special censuses by the United States bureau of the census rather than the secretary of state; providing for the approval of school district population estimates by the state demographer; providing for annual population estimates of governmental subdivisions by the state demographer and their use in the computation of tax levy limits and local government aid; abolishing the authority of the municipal board to determine the population of municipalities and towns; amending Minnesota Statutes 1978, Sections 4.12, Subdivision 7; 275.14; 275.45; 275.53; 414.01, Subdivision 14; 477A.01, Subdivision 4; and Chapter 477A, by adding a section; repealing Minnesota Statutes 1978, Sections 365.61; and 414.033, Subdivision 8.

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 65 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Frederick	Knoll	Penny	Solon
Ashbach	Gearty	Knutson	Perpich	Spear
Bang	Gunderson	Laufenburger	Peterson	Staples
Barrette	Hanson	Lessard	Pillsbury	Stern
Benedict	Hughes	Luther	Purfeerst	Stokowski
Bernhagen	Humphrey	Menning	Renneke	Strand
Brataas	Jensen	Merriam	Rued	Stumpf
Chmielewski	Johnson	Moe	Schaaf	Tennessen
Coleman	Keefe, J.	Nelson	Schmitz	Ueland, A.
Davies	Keefe, S.	Nichols	Setzepfandt	Ulland, J.
Dieterich	Kirchner	Olhoff	Sieloff	Vega
Dunn	Kleinbaum	Olson	Sikorski	Wegener
Engler	Knaak	Omann	Sillers	Willet

So the bill passed and its title was agreed to.

S. F. No. 1708: A bill for an act relating to workers' compensation; changing special compensation fund assessment proce-

dures; providing for reimbursement to certain insurers; amending Minnesota Statutes, 1979 Supplement, Sections 176.131, Subdivision 10; and 176.191, Subdivision 3.

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 66 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S. F. No. 2122: A bill for an act relating to elections; authorizing time off from work for election judges; amending Minnesota Statutes 1978, Section 204A.17, by adding a subdivision.

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 64 and nays 1, as follows:

Those who voted in the affirmative were:

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

Mr. Ulland, J. voted in the negative.

So the bill passed and its title was agreed to.

H. F. No. 2119: A bill for an act relating to the military; extending indefinitely the duration of the authority of the adjutant general to acquire lands for military training from funds

available in the military land fund; repealing certain obsolete provisions relating to the military land fund; amending Minnesota Statutes 1978, Sections 190.25; 190.26, Subdivision 1; 190.29; 190.30, Subdivisions 1, 5 and 6; and repealing Minnesota Statutes 1978, Sections 190.26, Subdivisions 2 and 3; and 190.27.

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 66 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

H. F. No. 1732: A bill for an act relating to motor vehicle carriers; defining courier services carrier; providing the procedures for granting permits to courier services carriers; excluding courier service carriers from the term regular route common carrier; amending Minnesota Statutes 1978, Sections 221.011, Subdivision 9, and by adding a subdivision; and 221.121, by adding a subdivision.

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 65 and nays 1, as follows:

Those who voted in the affirmative were:

Anderson	Frederick	Knoll	Omann	Solon
Ashbach	Gearty	Knutson	Penny	Spear
Bang	Gunderson	Laufenburger	Perpich	Staples
Barrette	Hanson	Lessard	Peterson	Stern
Benedict	Hughes	Luther	Pillsbury	Stokowski
Bernhagen	Humphrey	Menning	Purfeerst	Strand
Brataas	Jensen	Merriam	Renneke	Stumpf
Chmielewski	Johnson	Moe	Rued	Tennessen
Coleman	Keefe, J.	Nelson	Schaaf	Ueland, A.
Davies	Keefe, S.	Nichols	Schmitz	Ulland, J.
Dieterich	Kirchner	Ogdahl	Sieloff	Vega
Dunn	Kleinbaum	Olhoff	Sikorski	Wegener
Engler	Knaak	Olson	Sillers	Willet

Mr. Setzepfandt voted in the negative.

So the bill passed and its title was agreed to.

H. F. No. 1695: A bill for an act relating to highways; providing that a resolution of a county board revoking a county highway that would revert to a town is not effective until the highway meets county road standards; amending Minnesota Statutes 1978, Section 163.11, Subdivision 5a.

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 65 and nays 1, as follows:

Those who voted in the affirmative were:

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

Mr. Tennesen voted in the negative.

So the bill passed and its title was agreed to.

S. F. No. 1783: A bill for an act relating to elections; providing for hearings of contested legislative elections; amending Minnesota Statutes 1978, Sections 209.02, Subdivision 4a; 209.09; and 209.10, Subdivision 1.

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 65 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Gearty	Knutson	Penny	Solon
Bang	Gunderson	Laufenburger	Perpich	Spear
Barrette	Hanson	Lessard	Peterson	Staples
Benedict	Hughes	Luther	Pillsbury	Stern
Bernhagen	Humphrey	Menning	Purfeerst	Stokowski
Brataas	Jensen	Merriam	Renneke	Strand
Chmielewski	Johnson	Moe	Rued	Stumpf
Coleman	Keefe, J.	Nelson	Schaaf	Tennesen
Davies	Keefe, S.	Nichols	Schmitz	Ueland, A.
Dieterich	Kirchner	Ogdahl	Setzepfandt	Ulland, J.
Dunn	Kleinbaum	Olhoft	Sieloff	Vega
Engler	Knaak	Olson	Sikorski	Wegener
Frederick	Knoll	Omann	Sillers	Willet

So the bill passed and its title was agreed to.

H. F. No. 2051: A bill for an act relating to elections; requiring certain employers to attempt to let employees make up time taken off for certain public meetings; amending Minnesota Statutes 1978, Section 210A.09, Subdivision 2.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 56 and nays 7, as follows:

Those who voted in the affirmative were:

Anderson	Hanson	Luther	Pillsbury	Staples
Bang	Hughes	Menning	Purfeerst	Stern
Barrette	Humphrey	Merriam	Renneke	Stokowski
Benedict	Johnson	Moe	Rued	Strand
Bernhagen	Keefe, J.	Nelson	Schaaf	Stumpf
Chmielewski	Keefe, S.	Nichols	Schmitz	Vega
Coleman	Kleinbaum	Olhoff	Setzepfandt	Wegener
Davies	Knaak	Olson	Sieloff	Willet
Dieterich	Knoll	Omann	Sikorski	
Engler	Knutson	Penny	Sillers	
Gearty	Laufenburger	Perpich	Solon	
Gunderson	Lessard	Peterson	Spear	

Those who voted in the negative were:

Ashbach	Dunn	Ogdahl	Tennessen	Ulland, J.
Brataas	Frederick			

So the bill passed and its title was agreed to.

S. F. No. 2111: A bill for an act relating to counties; providing for the responsibilities and appointments of deputy county treasurers; amending Minnesota Statutes 1978, Section 385.02, Subdivision 1.

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 65 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Gearty	Knutson	Penny	Solon
Bang	Gunderson	Laufenburger	Perpich	Spear
Barrette	Hanson	Lessard	Peterson	Staples
Benedict	Hughes	Luther	Pillsbury	Stern
Bernhagen	Humphrey	Menning	Purfeerst	Stokowski
Brataas	Jensen	Merriam	Renneke	Strand
Chmielewski	Johnson	Moe	Rued	Stumpf
Coleman	Keefe, J.	Nelson	Schaaf	Tennessen
Davies	Keefe, S.	Nichols	Schmitz	Ulland, A.
Dieterich	Kirchner	Ogdahl	Setzepfandt	Ulland, J.
Dunn	Kleinbaum	Olhoff	Sieloff	Vega
Engler	Knaak	Olson	Sikorski	Wegener
Frederick	Knoll	Omann	Sillers	Willet

So the bill passed and its title was agreed to.

S. F. No. 2168: A bill for an act relating to historic sites; designating additional historic sites; requiring notice to the Minnesota Historical Society when the state or a political subdivision acquires certain property; amending Minnesota Statutes 1978, Sections 138.56, by adding a subdivision; and 138.59.

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 66 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S. F. No. 2017: A bill for an act relating to municipal industrial development; defining projects appropriate for development; amending Minnesota Statutes 1978, Section 474.02, Subdivision 1c.

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 62 and nays 3, as follows:

Those who voted in the affirmative were:

Anderson	Gunderson	Laufenburger	Peterson	Staples
Ashbach	Hanson	Lessard	Pillsbury	Stern
Bang	Hughes	Luther	Purfeerst	Stokowski
Barrette	Humphrey	Menning	Renneke	Strand
Benedict	Jensen	Moe	Rued	Stumpf
Bernhagen	Johnson	Nelson	Schaaf	Ueland, A.
Brataas	Keefe, J.	Nichols	Schmitz	Ulland, J.
Chmielewski	Keefe, S.	Ogdahl	Setzepfandt	Vega
Dieterich	Kirchner	Olhoff	Sieloff	Wegener
Dunn	Kleinbaum	Olson	Sikorski	Willet
Engler	Knaak	Omann	Sillers	
Frederick	Knoll	Penny	Solon	
Gearty	Knutson	Perpich	Spear	

Messrs. Davies, Merriam and Tennessen voted in the negative.

So the bill passed and its title was agreed to.

S. F. No. 1838: A bill for an act relating to industrial development; extending the industrial development law to all towns;

requiring authorization for certain agricultural projects; amending Minnesota Statutes 1978, Sections 474.02, Subdivision 2; and 474.04.

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 59 and nays 6, as follows:

Those who voted in the affirmative were:

Anderson	Gunderson	Knutson	Penny	Spear
Ashbach	Hanson	Laufenburger	Peterson	Staples
Bang	Hughes	Lessard	Pillsbury	Stern
Barrette	Humphrey	Luther	Purfeerst	Stokowski
Benedict	Jensen	Menning	Renneke	Strand
Bernhagen	Johnson	Moe	Rued	Stumpf
Brataas	Keefe, J.	Nelson	Schmitz	Ueland, A.
Chmielewski	Keefe, S.	Nichols	Setzepfandt	Ulland, J.
Dunn	Kirchner	Ogdahl	Sieloff	Vega
Engler	Kleinbaum	Olhoft	Sikorski	Wegener
Frederick	Knaak	Olson	Sillers	Willet
Gearty	Knoll	Omann	Solon	

Those who voted in the negative were:

Davies	Merriam	Perpich	Schaaf	Tennessee
Dieterich				

So the bill passed and its title was agreed to.

S. F. No. 1993: A bill for an act relating to economic development; requiring that a majority of the members of the iron range resources and rehabilitation board represent legislative districts containing taconite tax relief areas; amending Minnesota Statutes 1978, Section 298.22, Subdivision 2.

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 48 and nays 15, as follows:

Those who voted in the affirmative were:

Anderson	Hanson	Luther	Purfeerst	Stokowski
Bang	Hughes	Menning	Rued	Stumpf
Barrette	Humphrey	Merriam	Schaaf	Tennessee
Benedict	Johnson	Moe	Schmitz	Ueland, A.
Bernhagen	Keefe, S.	Nelson	Sieloff	Ulland, J.
Chmielewski	Kleinbaum	Nichols	Sikorski	Vega
Dieterich	Knoll	Olhoft	Solon	Wegener
Dunn	Knutson	Penny	Spear	Willet
Gearty	Laufenburger	Perpich	Staples	
Gunderson	Lessard	Peterson	Stern	

Those who voted in the negative were:

Ashbach	Frederick	Knaak	Omann	Setzepfandt
Brataas	Jensen	Ogdahl	Pillsbury	Sillers
Engler	Kirchner	Olson	Renneke	Strand

So the bill passed and its title was agreed to.

H. F. No. 1846: A bill for an act relating to highway traffic regulations; authorizing certain identification rights on motor vehicles operated by certificated volunteer ambulance drivers; amending Minnesota Statutes 1978, Section 169.58, by adding a subdivision.

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 65 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Frederick	Knoll	Penny	Solon
Ashbach	Gearty	Knutson	Perpich	Spear
Bang	Gunderson	Laufenburger	Peterson	Staples
Barrette	Hanson	Lessard	Pillsbury	Stern
Benedict	Hughes	Luther	Purfeerst	Stokowski
Bernhagen	Humphrey	Menning	Renneke	Strand
Brataas	Jensen	Merriam	Rued	Stumpf
Chmielewski	Johnson	Moe	Schaaf	Tennessee
Coleman	Keefe, J.	Nelson	Schmitz	Ueland, A.
Davies	Keefe, S.	Nichols	Setzepfandt	Ulland, J.
Dieterich	Kirchner	Olhoft	Sieloff	Vega
Dunn	Kleinbaum	Olson	Sikorski	Wegener
Engler	Knaak	Omann	Sillers	Willet

So the bill passed and its title was agreed to.

S. F. No. 1950: A bill for an act relating to towns in St. Louis County; providing a method for determining whether to open or maintain certain town roads.

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 59 and nays 5, as follows:

Those who voted in the affirmative were:

Anderson	Engler	Knoll	Penny	Sillers
Ashbach	Frederick	Knutson	Perpich	Solon
Bang	Gearty	Laufenburger	Peterson	Spear
Barrette	Gunderson	Lessard	Pillsbury	Staples
Benedict	Hanson	Luther	Purfeerst	Stern
Bernhagen	Hughes	Menning	Renneke	Stokowski
Brataas	Humphrey	Moe	Rued	Stumpf
Chmielewski	Jensen	Nelson	Schaaf	Ueland, A.
Coleman	Keefe, J.	Nichols	Schmitz	Ulland, J.
Davies	Keefe, S.	Olhoft	Setzepfandt	Vega
Dieterich	Kirchner	Olson	Sieloff	Wegener
Dunn	Knaak	Omann	Sikorski	

Those who voted in the negative were:

Johnson	Kleinbaum	Merriam	Strand	Willet
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So the bill passed and its title was agreed to.

S. F. No. 1877: A bill for an act relating to labor; regulating migrant labor; requiring employers and recruiters to provide

statements of hire to migrant workers; setting requirements for statements of hire and for payments of wages to migrant workers; providing for private causes of action.

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 46 and nays 18, as follows:

Those who voted in the affirmative were:

Anderson	Hughes	Laufenburger	Peterson	Stumpf
Barrette	Humphrey	Lessard	Schaaf	Tennessen
Benedict	Johnson	Luther	Schmitz	Ulland, J.
Chmielewski	Keefe, J.	Menning	Setzepfandt	Vega
Coleman	Keefe, S.	Merriam	Sikorski	Wagener
Davies	Kirchner	Moe	Solon	Willet
Dieterich	Kleinbaum	Nelson	Spear	
Gearty	Knaak	Nichols	Stern	
Gunderson	Knoll	Olson	Stokowski	
Hanson	Knutson	Penny	Strand	

Those who voted in the negative were:

Ashbach	Dunn	Ogdahl	Renneke	Staples
Bang	Engler	Omann	Rued	Ueland, A.
Bernhagen	Frederick	Pillsbury	Sieloff	
Brataas	Jensen	Purfeerst	Sillers	

So the bill passed and its title was agreed to.

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

GENERAL ORDERS

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

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

S. F. Nos. 1805, 1861, 1021, 2092, 1235, 1655 and H. F. Nos. 2024, 1824, 1834, 1207 and 2028, which the committee recommends to pass.

H. F. No. 1090 which the committee recommends to pass, subject to the following motion:

Mr. Luther moved that the amendment made to H. F. No. 1090 by the Committee on Rules and Administration in the report adopted March 18, 1980, pursuant to Rule 49, be stricken. The motion prevailed. So the amendment was stricken.

H. F. No. 1453 which the committee reports progress, subject to the following motion:

Mr. Setzepfandt moved to amend H. F. No. 1453, as follows:

Page 2, line 9, after "districts" insert "*or other governmental subdivisions*"

The motion prevailed. So the amendment was adopted.

H. F. No. 1453 was then progressed.

S. F. No. 1962, which the committee recommends to pass with the following amendment offered by Mr. Dunn:

Page 7, line 24, delete "*certiorari by*" and insert "*a declaratory judgment action in*"

Page 7, line 26, delete everything after the period

Page 7, delete line 27

Page 7, line 28, delete everything before the period and insert "*Judicial review under this section shall be initiated within 30 days after the governmental unit makes the decision, and a bond may be required under section 562.02 unless at the time of hearing on the application for the bond the plaintiff has shown that the claim has sufficient possibility of success on the merits to sustain the burden required for the issuance of a temporary restraining order. Nothing in this section shall be construed to alter the requirements for a temporary restraining order or a preliminary injunction pursuant to the Minnesota Rules of Civil Procedure for District Courts*"

The motion prevailed. So the amendment was adopted.

S. F. No. 210, which the committee recommends to pass with the following amendment offered by Mr. Hughes:

Page 2, line 14, delete "*1980*" and insert "*1981*"

The motion prevailed. So the amendment was adopted.

S. F. No. 2044, which the committee recommends to pass with the following amendment offered by Mr. Wegener:

Page 17, line 11, delete "*308.39;*"

Amend the title as follows:

Page 1, line 18, delete "*308.39;*"

The motion prevailed. So the amendment was adopted.

S. F. No. 1618, which the committee recommends to pass with the following amendments offered by Messrs. Sillers and Johnson:

Mr. Sillers moved to amend S. F. No. 1618 as follows:

Page 2, line 20, delete "*If the application is*"

Page 2, delete lines 21 to 23

Page 2, line 24, delete "*apply.*"

The motion prevailed. So the amendment was adopted.

Mr. Johnson moved to amend S. F. No. 1618 as follows:

Page 2, line 4, after "*facility*" insert "*in a county which borders another state which offers a property tax exemption for new business property*"

The motion prevailed. So the amendment was adopted.

H. F. No. 1871, which the committee recommends to pass with the following amendment offered by Mr. Strand:

Amend the amendment placed on H. F. No. 1871 by the Committee on Governmental Operations, adopted by the Senate March 17, 1980, as follows:

In the amendment to section 5, subdivision 2a:

Line 2, delete "a" and insert "one"

Lines 2 and 3, delete "*for each lake protection and rehabilitation project*" and insert "*for all commission activities*"

Line 4, delete "*each*" and insert "*the*"

Line 6, before the period, insert "*with an equal number of representatives from each state. The advisory committee shall be consulted prior to any activity conducted by the commission*"

The motion prevailed. So the amendment to the amendment was adopted.

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

MOTIONS AND RESOLUTIONS—CONTINUED

Mr. Gunderson moved that the name of Mr. Willet be added as co-author to S. F. No. 2092. The motion prevailed.

Mr. Ueland, A. introduced—

Senate Resolution No. 53: A Senate resolution relating to extending congratulations to Mankato State University for winning the NCAA Division II National Ice Hockey Championship.

Referred to the Committee on Rules and Administration.

Mr. Bang introduced—

Senate Resolution No. 54: A Senate resolution relating to extending congratulations to the Edina-East Senior High School girls gymnastics team on winning the State Class AA girls gymnastics championship.

Referred to the Committee on Rules and Administration.

Mr. Kleinbaum moved that the name of Mr. Omann be added as co-author to S. F. No. 1655. The motion prevailed.

RECESS

Mr. Coleman moved that the Senate do now recess until 4:00 o'clock p.m. The motion prevailed.

The hour of 4:00 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 for the balance of the day's proceedings. The following Senators answered to their names:

Anderson	Frederick	Laufenburger	Perpich	Staples
Aashbach	Gearty	Lessard	Peterson	Stern
Bang	Gunderson	Luther	Pillsbury	Stokowski
Barrette	Hanson	McCutcheon	Purfeerst	Strand
Benedict	Hughes	Merriam	Renneke	Stumpf
Bernhagen	Humphrey	Moe	Rued	Tennessee
Chmielewski	Jensen	Nelson	Schmitz	Ulland, J.
Coleman	Keefe, J.	Nichols	Setzepfandt	Vega
Davies	Keefe, S.	Ogdahl	Sieloff	Wegener
Dieterich	Kirchner	Olhoff	Sikoraki	Willet
Dunn	Knaak	Olson	Sillers	
Engler	Knutson	Penny	Spear	

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

Without objection, the Senate reverted to the Order of Business of Reports of Committees.

REPORTS OF COMMITTEES

Mr. Coleman from the Subcommittee on Bill Scheduling, to which were referred S. F. Nos. 1933, 2341, 2338, 1753, 1876, 1735, 2394, 2395, 2400 and H. F. Nos. 567, 1272, 1684, 1873, 1286, 1956 and 1742, makes the following report:

That the above Senate Files and House Files be placed on the General Order Calendar in the order indicated.

That there were no other bills before the Subcommittee on which floor action was requested.

Mr. Coleman moved the adoption of the foregoing committee report. The motion prevailed. Report adopted.

MOTIONS AND RESOLUTIONS—CONTINUED

Mr. Keefe, S. moved that S. F. No. 550 and the Governor's veto message be taken from the table. The motion prevailed.

Mr. Keefe, S. moved that S. F. No. 550 be re-passed, the objections of the Governor to the contrary notwithstanding.

The question was taken on the adoption of the motion of Mr. Keefe, S. and the re-passage of S. F. No. 550, the objections of the Governor notwithstanding.

The roll was called, and there were yeas 45 and nays 22, as follows:

Those who voted in the affirmative were:

Anderson	Hughes	McCutcheon	Perpich	Staples
Benedict	Humphrey	Menning	Peterson	Stern
Chmielewski	Johnson	Merriam	Purfeerst	Stokowski
Coleman	Keefe, S.	Moe	Schaaf	Strand
Davies	Kleinbaum	Nelson	Schmitz	Stumpf
Dieterich	Knoll	Nichols	Setzepfandt	Tennessen
Gearty	Laufenburger	Olhoft	Sikorski	Vega
Gunderson	Lessard	Olson	Solon	Wegener
Hanson	Luther	Penny	Spear	Willet

Those who voted in the negative were:

Ashbach	Dunn	Kirchner	Pillsbury	Ueland, A.
Bang	Engler	Knaak	Renneke	Ulland, J.
Barrette	Frederick	Knutson	Rued	
Bernhagen	Jensen	Ogdahl	Sieloff	
Brataas	Keefe, J.	Omann	Sillers	

The motion prevailed. So the bill was re-passed, the objections of the Governor to the contrary notwithstanding.

Without objection, the Senate reverted to the Order of Business of Reports of Committees.

REPORTS OF COMMITTEES

Mr. Coleman moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

Mr. Schaaf from the Committee on Governmental Operations, to which was re-referred

S. F. No. 1980: A bill for an act relating to waste management; establishing a waste management board and a legislative commission; providing for a state government resource recovery program; providing for solid waste planning assistance and demonstration programs; providing for the issuance of state waste management bonds; providing for the establishment of solid waste management districts; requiring hazardous waste management planning and development; establishing procedures for the review and approval of permits for waste facilities; providing that certain solid waste disposal sites are not exempt from real property taxes; authorizing debt; appropriating money; amending Minnesota Statutes 1978, Sections 116.06, Subdivisions 9, 10, 13, and by adding subdivisions; 116.07, Subdivisions 2, 4, 4a, and by adding subdivisions; 116.081, Subdivision 1; 116.101; 116.41; 272.02, Subdivision 1; 400.03, Subdivision 1; 400.04; 400.06; 400.07; 400.13; 400.16; 400.161; 473.121, by adding a subdivision; 473.149; 473.502; 473.516; 473.802; 473.803; 473.811; 473.813; 473.823, Subdivision 3, and by adding a subdivision; Chapter 400, by adding a section; and Chapter 473, by adding sections; repealing Minnesota Statutes 1978, Sections 116F.01; 116F.02; 116F.03; 116F.04; 116F.05; 400.03, Subdivisions 2, 3, 4, 5, 6, and 7; 473.121, Subdivisions 27, 28, 29, 31, 31a, 31b, and 31c; 473.823, Subdivisions 1, 2, and 4; and Laws 1978, Chapter 728, Section 7.

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

Page 3, line 27, delete the comma

Page 4, line 10, delete "10" and insert "11"

Page 4, line 26, delete "such" and insert "the"

Page 7, line 13, delete "nine" and insert "seven"

Page 7, delete lines 16 to 33 and insert:

"Subd. 2. [PERMANENT MEMBERS.] The seven permanent members shall be appointed by the governor, with the advice and consent of the senate. The terms of the permanent members shall be for five years. The removal and filling of vacancies of the permanent members shall be as provided in section 15.0575. The permanent members shall elect a board chairman from one of their number."

Page 8, line 3, delete "and for the purpose of preparing and"

Page 8, delete line 4

Page 8, line 5, delete "development plan under section 8"

Page 8, line 9, delete "section 4" and insert "section 7"

Page 8, line 10, after "IV," insert "section 2, subdivision 3, and"

Page 8, line 10, after the period, insert "By August 1, 1980, for the purpose of preparing and adopting the hazardous waste management and facility development plan, the governor shall appoint six members representing geographically diverse local governments. These members shall serve until August 31, 1981."

Page 8, line 12, delete "such" and insert "the"

Page 9, line 1, before the period, insert "for that property"

Page 9, line 4, delete "such" and insert "the"

Page 9, line 10, delete "such" and insert "those"

Page 10, line 13, delete "leased, controlled,"

Page 10, line 28, delete "act" and insert "enter into agreements"

Page 11, delete lines 25 and 26

Pages 12 to 15, delete section 6

Page 15, line 16, delete everything after the period

Page 15, delete lines 17 to 19

Page 15, line 20, delete everything before the colon and insert "The inventory shall include at least three sites for each of the following categories of processing facilities"

Page 15, delete lines 25 to 33

Page 16, delete line 1

Page 16, line 2, delete *"the county."* and insert *"June 1, 1981, the board shall propose the inventory of sites. Any county in which a site is proposed for inclusion in the inventory may propose an alternative site or sites within that county to the board."*

Page 16, line 2, delete *"proposed by"*

Page 16, line 3, delete *"counties"*

Page 16, line 7, delete *"the proposed"*

Page 16, line 8, before *"regulations"* insert *"rules and"*

Page 16, line 16, delete *"If"*

Page 16, delete lines 17 to 23

Page 16, line 25, delete *"proposed by the board by July 1, 1981, and"*

Page 16, line 33, delete everything after *"adoption"*

Page 17, line 1, delete *"the county"*

Pages 17 to 18, delete section 8 and insert:

"Sec. 7. [MANAGEMENT AND FACILITY DEVELOPMENT PLAN.] Subdivision 1. [PREPARATION.] By June 1, 1981, the board shall adopt a hazardous waste management and facility development plan. In developing the plan, the board shall: consult with the hazardous waste management advisory committee, state agencies, regional and local governments, industry and citizens of the state; hold at least two public meetings outside of the metropolitan area to solicit comments and recommendations; and prepare environmental and economic impact statements which provide appropriate analysis of the alternatives, consequences and costs of hazardous waste management and facility development within the state. On or before April 1, 1981, the board shall prepare a draft plan and publish it in the state register and complete the impact statements. On or before May 1, 1981, the board shall hold a public hearing to solicit comments and recommendations on the draft plan. The hearing shall be conducted by the office of hearing examiners but shall not be subject to the provisions of chapter 15. In connection with the hearing the board shall provide copies of the environmental and economic impact statements and a written statement of the need for and reasonableness of the proposed plan. Following the public hearing, the board shall revise the plan as it deems appropriate in response to comments received, adopt the plan in final form and transmit the plan together with a statement summarizing the reasonableness of and need for the plan and responses to comments received during the public hearing, to the legislative commission on or before June 15, 1981. If the legislative commission does not act to disapprove the plan as transmitted, the plan shall become of force and effect on August 1, 1981, and may not be amended until 1985.

Subd. 2. [PLAN CONTENT.] The plan shall contain; a hazardous waste processing and disposal facility element; standards

and criteria for the review of processing and disposal sites and facilities; and a hazardous waste abatement element. The facility development element shall provide for the establishment of at least one commercial hazardous waste disposal facility in the state; indicate the types and volumes of waste for which processing and disposal facilities are and will be needed through the year 2000 including a specific delineation of the minimum containment capacity of the commercial hazardous waste disposal facility; and the approximate number, types, sizes, operating life, and function or use of the disposal and processing facilities needed in the state. The disposal facility development element shall certify need only to the extent that the board has determined that there are no reasonably available and prudent alternatives including the degree of abatement achievable through waste reduction, waste separation, pre-treatment processing and resource recovery. The facility development plan shall be designed to minimize adverse impact upon natural resources. Economic considerations alone shall not justify disposal nor the rejection of alternatives. The standards and criteria for the review of sites and facilities shall be consistent with, but more specific than, the evaluation factors contained in article III, section 5, subdivision 2 and shall not duplicate or attempt to substitute for state and federal regulations governing hazardous waste sites and facilities. The abatement element shall include policies and recommendations for abating the production of hazardous wastes and reducing the amount of hazardous waste which needs to be processed and disposed within the state. The abatement plan shall contain specific alternative abatement objectives and recommended management methods and technologies, and private and public actions, facilities and services, and levels of public and private expenditure necessary to achieve the alternative abatement objectives."

Page 18, line 17, delete "COMMITTEES" and insert "COUNCILS"

Page 18, lines 19, 21, 25, 32, and 33, delete "committee" and insert "council"

Page 19, lines 7, 13, and 16, delete "committee" and insert "council"

Page 19, lines 10, 12, and 20, delete "committees" and insert "councils"

Page 19, line 17, delete "5"

Page 19, line 18, delete "and 6" and insert "6 and 7"

Page 19, line 18, delete "3" and insert "5"

Page 20, lines 2 and 18, delete "such" and insert "the"

Page 20, lines 6 and 12, delete "regulations" and insert "rules"

Page 20, line 19, insert before the period " , subject to applicable requirements or restrictions imposed by sections 15.162 to 15.17"

Page 20, after line 31, insert:

"Subd. 5. The commission shall study alternative methods of insuring that an adequate supply of solid waste will be available to resource recovery facilities and report to the appropriate policy committees of the house of representatives and senate prior to January 1, 1982. The commission shall, at a minimum, consider the relative merits of the required use provisions described in article VIII, section 9, article IX, section 8, and article X, section 11 and other mechanisms designed to facilitate resource recovery by raising costs of landfill alternatives or lowering costs of disposal at resource recovery facilities.

Subd. 6. [REPORTS AND RECOMMENDATIONS.] The commission shall study and prepare legislative recommendations dealing with the following subjects:

(a) The management and financing liability and post closure monitoring and care for hazardous waste facilities in the state.

(b) State strategies to promote and secure private investment in hazardous waste management services, technologies and facilities.

(c) Measures to mitigate and compensate local governments for increased public service and facility costs and adverse risks and effects attributable to the development of hazardous waste facilities within their jurisdictions and methods of financing such measures including without limitation: payment outside of levy limitations in lieu of taxes for all property taken off the tax rolls; preference in reviews of local applications for federal funds conducted by the metropolitan council and regional development commissions; payment of all costs to service the facilities including the cost of roads, monitoring, inspection, enforcement, police and fire, and litter clean up costs; payment for buffer zone amenities and improvement; local control over buffer zone design; a guarantee against any and all liability that may occur.

(d) Measures for developing interstate cooperation in hazardous waste management.

(e) Measures for abating the production of hazardous waste and reducing the amount of waste which must be reprocessed or disposed.

The commission may contract with any state agency for research and assistance in the preparation of these studies and recommendations. To the extent practicable, legislative recommendations critical to the review, siting, development and acceptance of commercial hazardous waste processing and disposal facilities shall be prepared prior to January 15, 1981."

Page 20, line 32, delete "5" and insert "7"

Page 20, line 32, delete "commission shall cease to" and insert "provisions of this section shall expire"

Page 20, line 33, delete "exist"

Page 22, lines 4 and 7, delete "such"

Page 23, line 17, delete "such" and insert "the"

Pages 23 and 24, delete section 4 and insert:

"Sec. 4. [REQUEST FOR PROPOSALS.] By February 1, 1981, the board shall publish notice soliciting applications and suggestions from public and private individuals and organizations for the location and development of hazardous waste processing and disposal sites and facilities in the state. The notice shall be published in the state register and newspapers of general circulation in the state and transmitted to all regional development commissions, the metropolitan council and all counties in the state. The notice shall summarize the criteria, standards and procedures the board will use in selecting candidate sites. The notice shall solicit general or specific applications and suggestions for the location and development of facilities which will satisfy the state needs for such facilities as are identified in the hazardous waste plan."

Page 24, after line 16, insert:

"When an application for a permit is selected as a candidate site, the applicant may prepare information on the proposed site and facility as authorized by the board and in the event the site or facility proposed is issued a certificate of need, the applicant shall be given the first opportunity to develop the proposed facility in accord with the certificate of need."

Page 25, line 8, delete "such" and insert "the"

Page 25, line 11, delete the semicolon and insert a period

Page 25, delete lines 12 to 29 and insert:

"No action of the board shall be held invalid by reason of the board's failure to notify any of the entities listed in this subdivision."

Page 25, line 30, delete "4" and insert "3"

Page 26, line 9, delete "such"

Page 26, delete section 6 and insert:

"Sec. 6. From July 15, 1981, through June 1, 1982, the board, the hazardous waste management planning advisory committee, the local project review committees, the agency and other state agencies shall analyze and review the candidate sites and facilities selected by the board pursuant to the evaluation factors, the standards and criteria for site and facility review contained in the hazardous waste management plan, and other applicable laws and regulations. By July 1, 1981, the board shall adopt a public participation and review process and schedule which will provide an appropriate and thorough opportunity to these committees and agencies and interested citizens to participate in the analysis and review of candidate sites and facilities. At a minimum, the process shall include the conduct of one public hearing within the county where each candidate site is located. The process shall also provide for the preparation and submission of final comments and recommendations by the planning advisory committee and the local project review committees to the board by April 1, 1982."

Page 26, line 25, delete "analysis and"

Page 26, line 26, delete "sections 8 and 9" and insert "section 8"

Page 27, delete lines 13 and 14 and insert "governor."

Page 27, line 29, delete "such" and insert "the"

Page 28, line 6, delete "or" and insert "and"

Page 28, delete section 8

Page 28, line 29, delete "May" and insert "July"

Page 28, line 30, delete "its" and insert "and consistent with the"

Page 30, after line 5, insert

"Subd. 2. [EARLY COMMENCEMENT.] At any time following the selection of candidate sites and facilities, the board may direct the agency to commence the preparation of an environmental impact statement on a candidate site for which a facility is proposed provided that the facility description is sufficiently detailed in the judgment of the agency to enable preparation of the statement. An environmental impact statement prepared on a candidate site and facility shall be finally accepted or rejected by the environmental quality board within 280 days following the agency's commencement of its preparation."

Page 30, line 6, delete "2" and insert "3"

Page 30, line 8, delete "and making full"

Page 30, line 9, delete "disclosure of"

Page 30, line 23, delete "in depth"

Page 30, line 25, delete "or" and insert a comma

Page 30, line 25, delete "and" and insert "or"

Page 31, lines 3 and 5, delete "3" and insert "4"

Page 31, line 21, delete "4" and insert "5"

Pages 34 to 41, delete Article IV, Sections 2 to 5, and insert:

"Sec. 2. [ELIGIBILITY.] The following persons shall be eligible to request supplementary review by the board pursuant to this article: (a) a generator of sewage sludge within the state which has been issued permits by the agency for a facility to dispose of sewage sludge or solid waste resulting from sewage treatment; (b) a person who has been issued permits by the agency for a solid waste facility located outside the metropolitan area; (c) a generator of hazardous waste within the state who has been issued permits by the agency for a hazardous waste facility to be owned and operated by the generator, on property owned by the generator, and to be used by the generator exclusively for managing the hazardous wastes produced by the generator; (d) a generator of hazardous waste within the state, or an entity composed of or under contract to such generators, which has been issued permits by the agency for an interim storage facility for hazardous waste

pursuant to article XI, section 9; and (e) a person who has been issued permits by the agency for a commercial hazardous waste processing facility at a site included in the board's inventory of preferred sites for such facilities adopted pursuant to article II, section 7.

Sec. 3. [REQUEST FOR REVIEW.] *An eligible person may request a supplementary review by the board. The request shall show that the required permits for the facility have been issued by the agency, and that a political subdivision has refused to approve the establishment or operation of the facility. For requests by political subdivisions for review under section 2, clause (b), the board may require completion of a plan conforming to the requirements of article V, section 5, before granting review.*

Sec. 4. [APPOINTMENT OF TEMPORARY BOARD MEMBERS.] *Within 45 days of the submission of a request determined by the board to satisfy the requirements for review under this article, temporary board members shall be added to the board for the purpose of the supplementary review. Three members shall be selected by the governing body of the city or town in which the waste management board determines the facility would be principally located, and three members shall be selected by the governing body of the county in which the waste management board determines the proposed facility would be principally located. If the proposed facility is located in unorganized territory, all six members shall be selected by the governing board of the county. Temporary members shall be residents of the county in which the proposed facility would be located and shall be selected to represent broadly the local interests that would be directly affected by the proposed facility. At least one member appointed by the city or town shall live within one mile of the proposed facility, and at least one member appointed by the county shall be a resident of a city or town in which the proposed facility would be located. Temporary board members shall serve for terms lasting until the board has taken final action on the project.*

Sec. 5. [REVIEW PROCEDURE.] *The board shall meet to commence the supplementary review within 90 days of the submission of a request determined by the board to satisfy the requirements for review under this section. At the meeting commencing the review the chairperson shall recommend and the board establish a scope and procedure for its review and final decision on the proposed facility. The procedure shall require the board to make a final decision on the proposed facility within 90 days following the commencement of review. The procedure shall require the board to conduct at least one public meeting in the county within which the proposed facility would be located. Notice of the meeting shall be published in a newspaper or newspapers of general circulation in the area for two successive weeks ending at least 15 days before the date of the meeting. The notice shall describe the proposed facility, its location, the proposed permits, and the board's scope and procedure for review. The notice shall identify a location or locations within the city or town and county where the permit applications, the agency notice of intent, and the board's scope*

and procedure for review are available for review and where copies may be obtained.

Sec. 6. [SCOPE AND CONTENT OF REVIEW.] *In its review and final decision on the proposed facility, the board shall consider at least the following matters:*

(a) *the risk and effect of the proposed facility on local residents, units of government, and the local public health, safety, and welfare, including such dangers as an accidental release of hazardous wastes during transportation to the facility, water, air, and land pollution, and fire or explosion where appropriate, and the degree to which the risk or effect may be alleviated;*

(b) *the consistency of the proposed facility with, and its effect on, existing and planned local land use and development; local laws, ordinances, and permits; and local public facilities and services;*

(c) *opportunities to apply local regulations and requirements to the proposed facility at the proposed site;*

(d) *the adverse effects of the facility on natural resources and opportunities to mitigate or eliminate the adverse effects by additional stipulations, conditions, and requirements respecting the design and operation of the proposed facility at the proposed site;*

(e) *the need for the proposed facility, especially its contribution to abating solid and hazardous waste disposal, the availability of alternative sites, and opportunities to mitigate or eliminate need by additional and alternative waste management strategies or actions of a significantly different nature; and*

(f) *whether, in the case of resource recovery facilities, the applicant has considered all other feasible and prudent waste processing alternatives for accomplishing the purposes of the proposed project and has compared and evaluated the costs of all such alternatives, including capital and operating costs, and the effects of all such alternatives on the cost to generators.*

Sec. 7. [DECISION OF BOARD.] *In its final decision in the review, the board may:*

(a) *disapprove the facility;*

(b) *approve the facility and the agency permits; or*

(c) *approve the facility but add more stringent stipulations, conditions, and requirements respecting the design and operation of the proposed facility at the site proposed.*

The board shall not stipulate or establish conditions or requirements which are less stringent than those established by the agency permits. The board shall not stipulate or establish conditions or requirements affecting the location proposed for the facility in the agency permits. The board shall not stipulate or establish conditions or requirements for additional waste management capabilities at the facility of a different nature than those permitted in the agency permits. The board shall not stipulate

or establish conditions or requirements relating to alternative waste management strategies, actions, or facilities not proposed by the applicant or addressed in the agency permits.

Sec. 8. [BOARD'S DECISION PARAMOUNT.] *To assure the paramount and controlling effect of the reviews conducted under this article, the board's decision shall supersede and preempt conflicting requirements of state agencies and political subdivisions. The permitting agency or agencies shall withdraw, modify, or issue the permits for the facility in accordance with the decision of the board following a supplementary review under article IV. All permits issued by the agency or agencies shall conform to the terms of the board's decision. No charter provision, ordinance, regulation, permit, or other requirement of any state agency or political subdivision shall prevent or restrict the establishment and operation of the facility in accordance with the board's final decision.*

Sec. 9. [JUDICIAL REVIEW.] *Judicial review with respect to conduct or decisions in reviews brought pursuant to sections 2, clauses (c), (d), and (e) of this article shall be as provided in article III, section 14."*

Page 43, line 1, delete "such" and insert "any"

Page 48, line 3, delete "such" and insert "the"

Page 55, line 28, delete "such" and insert "the"

Page 56, lines 7 and 8, delete "such"

Page 56, lines 24 and 32, delete "such" and insert "the"

Page 64, line 33, delete "such" and insert "the"

Page 67, delete lines 13 to 15

Page 69, line 21, delete "any or all of"

Page 69, line 22, delete "and taxing"

Page 69, line 23, delete "such" and insert "the"

Page 69, line 27, after "475" insert "for revenue bonds"

Page 69, line 29, after "issuing" insert "revenue"

Page 75, line 29, delete "such"

Page 76, line 10, delete "such" and insert "the"

Page 77, line 24, delete "such" and insert "the"

Page 78, line 10, reinstate "pollution control" in both places where it is stricken

Page 78, line 19, delete "western" and insert "Western"

Page 78, line 29, delete "lake superior" and insert "Lake Superior"

Page 82, line 8, delete "3" and insert "2a"

Page 82, line 14, delete "3" and insert "1b"

Page 82, line 32, delete "4" and insert "2b"

Page 83, lines 5, 11 and 14, delete "2" and insert "1a"

Page 83, line 7, delete "*such*"

Page 83, line 8, delete "*such*" and insert "*any*"

Page 83, line 16, delete "5" and insert "2c"

Page 84, line 4, delete "6" and insert "2d"

Page 84, line 7, delete "3" and insert "1b"

Page 84, line 25, delete "7" and insert "2e"

Page 84, line 33, delete "*such*"

Page 85, line 6, delete "72" and insert "13"

Page 85, line 14, reinstate "3" and delete "8"

Page 86, line 15, reinstate "4" and delete "9"

Page 86, line 18, delete "7" and insert "2e"

Page 86, line 28, delete "5" and insert "2c"

Page 86, line 29, delete "6" and insert "2d"

Page 87, lines 2 and 3, delete "*such*"

Page 89, line 33, delete "*such*"

Page 92, line 19, delete "2" and insert "1a"

Page 93, line 24, delete "4" and insert "2b"

Page 93, lines 29 and 32, delete "*such*"

Page 93, line 33, delete "3" and insert "1b"

Page 94, line 3, delete "3" and insert "2a"

Page 94, line 22, delete "6" and insert "2d"

Page 94, line 23, delete "4" and insert "2"

Page 94, line 29, reinstate "2" and delete "4"

Page 95, line 7, reinstate "3" and delete "5"

Page 96, line 13, delete "9," and insert "5c, a"

Page 96, line 23, delete "2" and insert "1a"

Page 96, line 27, delete "4" and insert "2b"

Page 96, line 28, delete "2" and insert "1a"

Page 96, line 29, delete "12" and insert "13"

Page 97, line 5, reinstate "2" and delete "3"

Page 97, line 22, reinstate "3" and delete "4"

Page 98, line 7, reinstate "4" and delete "5"

Page 98, line 16, reinstate "5" and delete "6"

Page 99, line 7, delete "7" and insert "5a"

Page 99, line 17, delete "8" and insert "5b"

Page 99, line 30, delete "9" and insert "5c"

Page 101, line 3, delete "10" and insert "5d"

Page 101, line 25, reinstate "6" and delete "11"

Page 102, line 2, reinstate "7" and delete "12"

Page 102, line 9, reinstate "8" and delete "13"

Page 102, line 26, reinstate "9" and delete "14"

Page 106, line 26, delete "6" and insert "2d"

Page 106, line 28, delete "3" and insert "1b"

Page 109, line 12, delete "7" and insert "2e"

Page 109, line 17, delete "12" and insert "13"

Page 109, line 28, delete "12" and insert "13"

Page 110, line 1, delete "7" and insert "2e"

Page 110, line 11, delete "7" and insert "2e"

Page 112, line 13, delete "11" and insert "12"

Page 113, line 16, delete "11" and insert "12"

Page 120, line 1, delete "such"

Page 121, after line 15, insert:

"In implementing its hazardous waste rules, the pollution control agency shall give high priority to providing planning and technical assistance to hazardous waste generators. The agency shall assist generators in investigating the availability and feasibility of both interim and long-term hazardous waste management methods. The methods shall include waste reduction, waste separation, waste processing, resource recovery, and interim storage."

Page 123, delete lines 10 to 33

Page 124, delete lines 1 to 9 and insert:

"Subd. 4c. [PERMITS; TEMPORARY HAZARDOUS WASTE STORAGE FACILITIES.] A generator of hazardous waste within the state may apply to the agency for permits for a temporary storage facility for hazardous waste generated within the state. The application shall demonstrate: (a) that no permitted commercial waste facility is reasonably available to accept the waste, and (b) that the proposed storage facility will be on property owned by the applicant and used for storing the hazardous

waste generated exclusively by the applicant. The agency shall give highest priority to and shall expedite consideration of such applications. Within 60 days of receipt of a completed application, the agency shall either deny a permit or give notice of its intent to issue a permit. The agency shall publish the notice in the state register and shall notify directly the board and the affected county and city or town. If no hearing is requested on the permit within 30 days following the notice of intent, the agency shall issue the permit. If a hearing is requested, the hearing shall be conducted by the state office of hearing examiners in a manner determined by the hearing examiner to be consistent with the expeditious completion of the proceedings as required by this subdivision. The examiner shall give highest priority to and shall expedite the proceedings. The hearing shall be conducted within 45 days of the request, the examiner's report shall be submitted to the agency within 15 days of the hearing, and the agency shall make a final decision on the permit within 30 days of the report. The permit shall be issued for a period not to exceed one year but shall be renewable for four successive one year periods if at the time of each annual renewal the agency determines that there continues to be no permitted commercial waste facility reasonably available to accept the waste. Notwithstanding any law or requirement to the contrary, the permit shall be the only permit or approval required. Upon submission of an application for temporary storage facilities and until the permit is issued, the applicant shall store its hazardous wastes in the manner set forth in the application. A temporary storage permit issued pursuant to this subdivision shall not affect the responsibility of the generator for removal and final processing or disposal in a permitted hazardous waste facility."

Page 124, line 20, delete "land containment,"

Page 126, line 1, delete "land contained,"

Page 126, line 8, reinstate "pollution control"

Page 126, line 9, delete "land containment"

Page 126, line 10, delete "and"

Page 126, line 26, after "prescribe" insert "by rule"

Page 127, lines 11 and 18, delete "such" and insert "the"

Page 134, line 17, delete "116F.01;"

Page 134, line 17, after "116F.02" insert ", Subdivisions 3, 4, and 5"

Page 134, line 17, after "116F.05" insert ", Subdivision 2"

Page 134, line 24, after the period, insert "Article VIII, section 9, article IX, section 8, and article X, section 11, are effective July 1, 1982."

ReNUMBER the sections in sequence

Correct any internal cross references

Amend the title as follows:

Page 1, line 27, delete "116F.01;"

Page 1, line 27, after "116F.02" insert ", Subdivisions 3, 4, and 5"

Page 1, line 27, after "116F.05" insert ", Subdivision 2"

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

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

S. F. No. 1597: A bill for an act relating to agriculture; providing for agricultural preserves; providing property tax relief; appropriating money.

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

Delete everything after the enacting clause and insert:

"Section 1. [CITATION; POLICY; PURPOSE.] *Subdivision 1. Sections 2 to 19 may be cited as the "metropolitan agricultural preserves act".*

Subd. 2. It is the policy of the state to encourage the use and improvement of its agricultural lands for the production of food and other agricultural products. It is the purpose of sections 2 to 19 to provide an orderly means by which lands in the metropolitan area designated for long term agricultural use through the local and regional planning processes will be taxed in an equitable manner reflecting the long term singular use of the property, will be protected from unreasonably restrictive local and state regulation of normal farm practices, will be protected from indiscriminate and disruptive taking of farmlands through eminent domain actions, will be protected from the imposition of unnecessary special assessments, and will be given such additional protection and benefits as are needed to maintain viable productive farm operations in the metropolitan area.

Sec. 2. [DEFINITIONS.] *Subdivision 1. For purposes of sections 2 to 19 the terms defined in this section shall have the meanings given them.*

Subd. 2. "Agricultural preserve" or "preserve" means a land area covenanted according to section 5 to remain in agricultural use.

Subd. 3. "Agricultural use" means the production for sale of livestock, dairy animals, dairy products, poultry and poultry products, fur bearing animals, horticultural and nursery stock which is under Minnesota Statutes, Sections 18.44 to 18.61, fruit of all kinds, vegetables, forage, grains, bees and apiary products, and wetlands, pasture and woodlands.

Subd. 4. "Authority" means the unit of government exercising planning and zoning authority for the land specified in an application as provided under section 5 and pursuant to Minnesota Statutes, Sections 394.21 to 394.37, 462.351 to 462.364, or 366.10

to 366.19. Where both a county and a township have adopted zoning regulations, the authority shall be the unit of government designated to prepare a comprehensive plan pursuant to Minnesota Statutes, Section 473.861, Subdivision 2.

Subd. 5. "Certified long term agricultural land" means land certified pursuant to section 4 as eligible for designation as agricultural preserves.

Subd. 6. "Covenant agreement" means a restrictive covenant initiated by the owner and evidenced by an agreement provided for in section 5 whereby the owner places the limitations on specified land and receives the protections and benefits contained in sections 2 to 19.

Subd. 7. "Long term agricultural land" means land in the metropolitan area designated for agricultural use in local or county comprehensive plans adopted and reviewed pursuant to Minnesota Statutes, Sections 473.175, and 473.851 to 473.871, and which has been zoned specifically for agricultural use permitting a maximum residential density of not more than one unit per quarter/quarter.

Subd. 8. "Metropolitan area" has the meaning given it in Minnesota Statutes, Section 473.121, Subdivision 2.

Subd. 9. "Owner" means a resident of the United States owning land specified in an application pursuant to section 5, and includes an individual, legal guardian or family farm corporation as defined in Minnesota Statutes, Section 500.24, having a joint or common interest in the land. Where land is subject to a land contract, owner means the vendor in agreement with the vendee.

Subd. 10. "Quarter/quarter" means one quarter of one quarter of any section in the rectangular land survey system.

Sec. 3. [ELIGIBILITY.] Subdivision 1. Long term agricultural land comprising 40 or more acres shall be eligible for designation as an agricultural preserve.

Subd. 2. Noncontiguous parcels may be included to achieve the minimum acreage requirement in subdivision 1, provided that each parcel is at least ten acres in size and provided that all separate parcels are farmed together as a unit.

Subd. 3. The minimum acreage requirement in subdivision 1 may be reduced to 35 acres provided the land is a single quarter/quarter parcel and the amount less than 40 acres is due to a public road right-of-way or a perturbation in the rectangular survey system resulting in a quarter/quarter of less than 40 acres.

Subd. 4. Contiguous long term agricultural land comprising not less than 20 acres and surrounded by eligible land on not less than two sides shall be eligible for designation as an agricultural preserve provided the authority by resolution determines that: (i) the land area predominantly comprises Class I, II, III, or is irrigated Class IV land according to the Land Capability Classification Systems of the Soil Conservation Service and the county soil

survey; (ii) the land area is considered by the authority to be an essential part of the agricultural region; and (iii) the parcel was a parcel of record prior to January 1, 1980, or the land was an agricultural preserve prior to becoming a separate parcel of at least 20 acres.

Subd. 5. Contiguous long term agricultural land meeting the total acreage requirements of this section but located in two or more minor civil divisions so that the minimum acreage requirement is not met in one or more of the minor civil divisions shall be eligible by joint resolution of the affected authorities.

Sec. 4. [CERTIFICATION.] *Subdivision 1. On or before January 1, 1981 each authority in the metropolitan area having land classified agricultural pursuant to Minnesota Statutes, Section 273.13 shall certify by resolution and appropriate maps which lands, if any, are eligible for designation as agricultural preserves. Maps shall be in sufficient detail to identify eligible lands by property boundaries. Notification of the certification shall be published in a newspaper having a general circulation within the area of jurisdiction of the authority. No additional lands shall qualify for designation as agricultural preserves until the authority certifies qualification.*

Subd. 2. Land shall cease to be eligible for designation as an agricultural preserve when the comprehensive plan and zoning for the land have been officially amended so that the land is no longer planned for long term agricultural use and is no longer zoned for long term agricultural use, evidenced by a maximum residential density permitting more than one unit per 40 acres. When such changes have been made, the authority shall certify by resolution and appropriate maps which lands are no longer eligible. Notification of the decertification shall be published in a newspaper having a general circulation within the area of jurisdiction of the authority.

Subd. 3. The authority shall provide the metropolitan council with suitable maps showing any lands certified eligible pursuant to subdivision 1 or decertified pursuant to subdivision 2. The metropolitan council shall maintain maps of the metropolitan area showing all certified long term agricultural lands.

Sec. 5. [APPLICATION; COVENANT AGREEMENT.] *Subdivision 1. An owner or owners of certified long term agricultural land may apply for the creation of an agricultural preserve at any time. Land for which application is received prior to March 1 of any year shall be assessed pursuant to section 10 for taxes payable in the following year. Land for which application is received on or after March 1 of any year shall be assessed pursuant to section 10 in the following year. Application shall be made to the authority for the specified land area. Application shall be made on forms provided by the commissioner of agriculture and shall require at least the following information and such other information as the commissioner deems necessary for the lawful fulfillment of the provisions of sections 2 to 19.*

(a) *Legal description of the area proposed to be designated or parcel identification numbers as designated by the county auditor;*

(b) *Name and address of owner;*

(c) *An affidavit by the authority evidencing that the land is certified long term agricultural land at the date of application;*

(d) *A witnessed signature of the owner covenanting that the land shall be kept in agricultural use, and shall be used in accordance with the provisions of sections 2 to 19 which exist on the date of application;*

(e) *A statement that the restrictive covenant shall be binding on the owner or his successor or assignee, and shall be an easement running with the land;*

(f) *Date of application and date that designation is effectuated.*

Subd. 2. The authority may require an application fee, not to exceed \$50, to defray administrative costs.

Sec. 6. [NOTIFICATION.] *Subdivision 1. Within five days of the date of application, the authority shall forward copies of the completed and signed application to the county recorder, the county auditor, the county assessor, the metropolitan council, and the county soil and water conservation district.*

Subd. 2. The county recorder shall file and record the restrictive covenant.

Subd. 3. The county auditor, for taxes payable in the following year and thereafter for the duration of the preserve, shall determine mill rates, assessments and taxes involving the preserve according to the provisions of section 10.

Subd. 4. The county assessor, for taxes payable in the following calendar year and thereafter for the duration of the preserve, shall value and assess the agricultural preserve according to section 10.

Subd. 5. The metropolitan council shall maintain agricultural preserve maps of suitable form, illustrating (a) certified long term agricultural lands; and (b) lands covenanted as agricultural preserves. The council shall make yearly reports of such data to the state planning agency and such other agencies as the council deems appropriate.

Subd. 6. County auditors shall maintain records of the taxes assessed and paid on agricultural preserves in a manner prescribed by the commissioner of revenue for the orderly monitoring of the program.

Subd. 7. The county soil and water conservation district may prepare an advisory statement of existing and potential conservation problems for the agricultural preserve land. The statement shall be forwarded to the owner of record and a copy of the statement shall be forwarded to the authority.

Sec. 7. [COMMENCEMENT OF PRESERVE.] *A land area shall be deemed an agricultural preserve and subject to all the*

benefits and restrictions of sections 2 to 19 commencing 30 days from the date of application.

Sec. 8. [DURATION.] *Subdivision 1. Agricultural preserves shall continue until either the landowner or the authority initiates expiration as provided in this section.*

Subd. 2. A landowner may initiate expiration by notifying the authority on a form provided by the commissioner of agriculture. The notice shall describe the property for which expiration is desired and shall state the date of expiration which shall be at least eight years from the date of notice. The notice and expiration may be rescinded by the owner at any time during the first two years following notice.

Subd. 3. The authority may initiate expiration by notifying the landowner by registered letter on a form provided by the commissioner of agriculture, provided that before notification (i) the comprehensive plan and the zoning for the land have been officially amended so that the land is no longer planned for long term agriculture and is no longer zoned for long term agriculture, evidenced by a maximum residential density permitting more than one unit per quarter/quarter, and (ii) the authority has certified such changes pursuant to section 4, subdivision 2. The notice shall describe the property for which expiration is desired and shall state the date of expiration which shall be at least eight years from the date of notice.

Subd. 4. Upon receipt of the notice provided in subdivision 2, or upon notice served by the authority as provided in subdivision 3, the authority shall notify the county recorder, county auditor, county assessor, the metropolitan council, and the county soil and water conservation district and shall state the date of expiration. Designation as an agricultural preserve and all benefits and limitations accruing through sections 2 to 19 for the preserve shall cease on the date of expiration.

Sec. 9. [EARLY TERMINATION.] *Termination of an agricultural preserve earlier than a date derived through application of section 8 may be permitted only in the event of a public emergency upon petition from the owner or authority to the governor. The determination of public emergency shall be by the governor through executive order pursuant to Minnesota Statutes, Sections 4.035 and 12.01 to 12.46. The executive order shall identify the preserve, the reasons requiring the action and the date of termination.*

Sec. 10. [AD VALOREM PROPERTY TAXES.] *Subdivision 1. Real property within an agricultural preserve shall be valued and assessed pursuant to Minnesota Statutes, Chapter 273, except as provided in this section.*

Subd. 2. All land classified agricultural and in agricultural use, exclusive of buildings, shall be valued solely with reference to its agricultural capability value, notwithstanding Minnesota Statutes, Sections 272.03, Subdivision 8, and 273.11. Agricultural

capability value shall be determined in a manner prescribed by the commissioner of revenue for this purpose. Factors that shall be considered when applicable are rent capitalization, crop equivalency rating, climate, soils, distance from market, normal farm practices, crops, commodity prices, transportation costs, and interest rates. Added value from nonagricultural factors shall not be considered.

Subd. 3. (a) After the assessor has determined the market value of all land valued according to subdivision 2, he shall compute the assessed value of those properties by applying the appropriate classification percentages. When the county auditor computes the rate of tax pursuant to Minnesota Statutes, Section 275.09, he shall include the assessed value of land as provided in this clause.

(b) The county auditor shall compute the original ad valorem property taxes on lands valued according to subdivision 2 and nonresidential buildings by multiplying the assessed value times the total rate of tax for all purposes as provided in clause (a).

(c) The county auditor shall then compute the maximum ad valorem property tax on lands valued according to subdivision 2 and nonresidential buildings by multiplying the assessed value times 105 percent of the previous year's statewide average township mill rate for all purposes.

(d) The tax due and payable by the owner of preserve land valued according to subdivision 2 and nonresidential buildings is the amount determined in clause (b) or (c), whichever is less. If the gross tax in clause (c) is less than the gross tax in clause (b), the state shall reimburse the taxing jurisdictions for the amount of difference.

The county auditor shall certify to the commissioner of revenue on or before June 1, 1982, and each year thereafter, the total amount of tax lost to the taxing jurisdictions located within his county as a result of this subdivision. Payments shall be made by the state annually on July 15, 1982 and each year thereafter to each of the affected taxing jurisdictions. There is annually appropriated from the general fund in the state treasury to the commissioner of revenue an amount sufficient to make the reimbursement provided in this subdivision.

Sec. 11. [LIMITATION ON CERTAIN PUBLIC PROJECTS.] Notwithstanding Minnesota Statutes, Chapter 429, construction projects for public sanitary sewer systems and public water systems benefiting land or buildings in agricultural preserves shall be prohibited. New connections between land or buildings in agricultural preserves and sanitary sewers or water systems shall be prohibited. Public sanitary sewer or water systems built in the vicinity of agricultural preserves are deemed of no benefit to the land and buildings in agricultural preserves.

Sec. 12. [PROTECTION FOR NORMAL FARM PRACTICES.] Local governments and counties shall be prohibited from enacting ordinances or regulations within an agricultural

preserve which would unreasonably restrict or regulate normal farm structures or farm practices in contravention of the purpose of sections 2 to 19 unless the restriction or regulation bears a direct relationship to the public health and safety. This section shall apply to the operation of farm vehicles and machinery in the planting, maintenance and harvesting of crops and in the care and feeding of farm animals, the type of farming, and the design of farm structures, exclusive of residences.

Sec. 13. [STATE AGENCIES TO BE SUPPORTIVE.] Subdivision 1. It shall be the policy of all state agencies to encourage the maintenance of viable farming in agricultural preserves.

Subd. 2. The joint legislative committee on agricultural land preservation shall undertake a study of state agency regulations which negatively affect long term agricultural lands. The committee shall identify any state regulations which have the effect of favoring nonagricultural development and adversely affecting the long term nature of farming in an agricultural preserve. For any regulations so identified, the committee shall propose modifications for application to agricultural preserves that would be supportive of agriculture as the primary and long term use of land within an agricultural preserve while maintaining the statutory objective to protect the health, safety, and welfare of the public. The committee shall make a report on this study to the legislature by January 1, 1982.

Subd. 3. The joint committee shall study at least the following state agency rules and regulations:

APC6, preventing particulate matter from becoming airborne;

APC8, open burning;

APC9, control of odors in ambient air;

APC29, standards of performance for grain handling facilities;

SW54, location requirements for livestock feedlots, poultry lots, and other animal lots;

SW55, nonconforming feedlots;

WPC40, regulation for the administration of municipal facilities assistance program and the Minnesota state water pollution control fund and federal grant funds allotted to Minnesota;

6MCAR 3, routing high voltage transmission lines and siting large electric power generating plants.

Sec. 14. [ANNEXATION PROCEEDINGS.] Agricultural preserve land within a township shall not be annexed to a municipality pursuant to Minnesota Statutes, Chapter 414, without a specific finding by the Minnesota municipal board that either (a) the expiration period as provided for in section 8 has begun; (b) the surviving unit of government due to size, tax base, population or other relevant factors would not be able to provide normal governmental functions and services; or (c) the agricultural

preserve would be completely surrounded by lands within a municipality.

This section shall not apply to annexation agreements approved by the Minnesota municipal board prior to creation of the preserve.

Sec. 15. [EMINENT DOMAIN ACTIONS.] Subdivision 1. Any agency of the state, any public benefit corporation, any local, county or regional unit of government, or any other entity possessing powers of eminent domain under Minnesota Statutes, Chapter 117, shall follow the procedures contained in this section before (1) moving to acquire any land or easement having a gross area over ten acres in size within agricultural preserves and on certified long term agricultural land; or (2) moving to advance a grant, loan, interest subsidy or other funds for the construction of dwellings, commercial or industrial facilities, or water or sewer facilities that could be used to serve nonfarm structures within agricultural preserves.

Subd. 2. Notice of intent shall be filed with the environmental quality board 60 days prior to such action containing information and in the manner and form required by the environmental quality board. The notice of intent shall contain a report justifying the proposed action, including an evaluation of alternatives which would not require acquisition within agricultural preserves.

Subd. 3. The environmental quality board, in consultation with affected units of government, shall review the proposed action to determine the effect on the preservation and enhancement of agriculture and agricultural resources within the preserves and the relationship to local and regional comprehensive plans.

Subd. 4. If the environmental quality board finds that the proposed action might have an unreasonable effect on an agricultural preserve or preserves, the environmental quality board shall issue an order within the sixty day period for the party to desist from such action for an additional sixty day period.

Subd. 5. During the additional 60 day period, the environmental quality board shall hold a public hearing concerning the proposed action at a place within the preserve or otherwise easily accessible to the preserves upon notice in a newspaper having a general circulation within the area of the preserves, and individual notice, in writing, to the municipalities whose territory encompasses the preserves and the agency, corporation or government proposing to take the action, to any public agency having the power of review of or approval of the action, and in a manner conducive to the wide dissemination of the findings to the public.

Subd. 6. The review process required in this section may be conducted jointly with any other environmental impact review conducted by the environmental quality board.

Subd. 7. The environmental quality board may request the attorney general to bring an action to enjoin any agency, corporation or government from violating the provisions of this section.

Subd. 8. This section shall not apply to an emergency project which is immediately necessary for the protection of life and property.

Subd. 9. The environmental quality board shall be empowered to suspend any eminent domain action for up to one year which it determines to be contrary to the purposes of sections 2 to 19 and for which it determines there are reasonable and cost effective alternatives which have less negative impact on the agricultural preserves.

Sec. 16. [CONSERVATION.] *Subdivision 1. Land within an agricultural preserve shall be farmed and otherwise managed according to sound soil and water conservation management practices. Management practices which are not sound shall be any use of the land resulting in wind or water erosion in excess of the soil loss tolerance for each soil type as found in the United States soil conservation service, Minnesota technical guide.*

Subd. 2. The authority shall be responsible for enforcing this section. Upon receipt of a written complaint stating the conditions or land management practices which are believed to be in violation of this section, the authority shall consult with the county soil and water conservation district. The district shall determine the average soil loss in tons per acre per year for each field cited in the complaint according to the universal soil loss equation and the wind erosion equation, and shall return to the authority a report showing the average soil loss in tons per acre per year for each field and a list of alternative practices that the landowner can use to reduce the soil loss to the limit allowed in subdivision 1. After consultation, and if in the judgment of the authority there is ample evidence that the land is not being managed properly as required by this section, the authority shall adopt a resolution to this effect and shall seek corrective measures from the owner. At the request of the landowner, the district shall assist in the planning, design and application of the practices selected to reduce the soil loss to an acceptable level and shall give such landowners a high priority for providing technical and cost share assistance.

Subd. 3. Any owner who fails to implement corrective measures to the satisfaction of the authority within one year of notice from the authority shall be subject to a fine of not more than \$1,000. The authority may recover the penalty by a civil action in a court of competent jurisdiction.

Subd. 4. Costs incurred by the authority in the enforcement of this section may be charged to the property owner. Charges not timely paid may be placed on the tax rolls and collected as a special assessment against the property.

Sec. 17. [LAND USE.] *Subdivision 1. Land within an agricultural preserve shall be maintained for agricultural production. The average maximum density of residential structures within an agricultural preserve shall not exceed one unit per 40 acres. The location of any new structure shall conform to locally applicable*

zoning regulations. Commercial and industrial uses shall not be permitted except that small on-farm commercial or industrial operations normally associated with and important to farming in the area may be permitted by the authority. The authority shall be responsible for enforcing this section.

Subd. 2. When a separate parcel is created for a residential structure permitted under subdivision 1, the parcel shall cease to be an agricultural preserve unless the eligibility requirements of section 3 are met. However, the residential unit shall continue to be included in the maximum residential density for the original preserve.

Sec. 18. [TRANSFER FROM AGRICULTURAL PROPERTY TAX LAW TREATMENT.] When land which has been receiving the special agricultural valuation and tax deferment provided in Minnesota Statutes, Section 273.111, becomes an agricultural preserve pursuant to sections 2 to 19, the recapture of deferred tax and special assessments, as provided in Minnesota Statutes, Section 273.111, Subdivisions 9 and 11, shall not be made. Special assessments deferred under Minnesota Statutes, Section 273.111, at the date of commencement of the preserve shall continue to be deferred for the duration of the preserve. All special assessments so deferred shall be payable within 90 days of the date of expiration unless other terms are mutually agreed upon by the authority and the owner. In the event of early termination under section 9, all special assessments plus interest shall be payable within 90 days of the date of termination unless otherwise deferred or abated by executive order of the governor.

Sec. 19. Minnesota Statutes 1978, Section 273.111, Subdivision 6, is amended to read:

Subd. 6. Real property shall be considered to be in agricultural use provided that annually: (1) at least ~~33 1/3 percent~~ ^{one third} of the total family income of the owner is derived therefrom, or the total production income including rental from the property is ~~\$300~~ \$3,000 plus \$10 per tillable acre in excess of 40 acres in the metropolitan area, as defined in section 473.121, subdivision 2, or \$300 plus \$10 per tillable acre in the rest of the state; and (2) it is devoted to the production for sale of livestock, dairy animals, dairy products, poultry and poultry products, fur bearing animals, horticultural and or nursery stock which is under sections 18.44 to 18.61, fruit of all kinds, vegetables, forage, grains, or bees and apiary products by the owner. Slough, wasteland, and woodland contiguous to or surrounded by land described in subdivision 3 shall be considered to be in agricultural use if under the same ownership and management. For the purposes of this subdivision, "total family income" shall mean the household income as defined in section 290A.03 of the persons for whom the property serves as a homestead.

Sec. 20. [EFFECTIVE DATE.] Sections 1 to 18 are effective on June 1, 1980. Section 19 is effective for taxes levied in 1982, payable in 1983, and thereafter."

Amend the title as follows:

Page 1, line 2, delete "agriculture" and insert "metropolitan government"

Page 1, line 3, before "agricultural" insert "metropolitan area"

Page 1, line 4, before the period, insert "; amending Minnesota Statutes 1978, Section 273.111, Subdivision 6"

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

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

S. F. No. 2023: A bill for an act relating to nuclear safety; licensing and regulating nuclear power plants, reactors, and spent nuclear fuel disposal sites; empowering the department of health to conduct monitoring and emergency contingency planning; appropriating funds.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes, 1979 Supplement, Section 12.03, Subdivision 4, is amended to read:

Subd. 4. "Emergency services or civil defense" means the preparation for and the carrying out of all emergency functions, other than functions for which military forces are primarily responsible, to prevent, minimize and repair injury and damage resulting from disasters, or from acute shortages of energy, or from incidents occurring at nuclear fission electrical generating plants which pose radiological or other health hazards. These functions include, without limitation, fire-fighting services, police services, medical and health services, rescue, engineering, warning services, communications, radiological, chemical and other special weapons defense, evacuation of persons from stricken areas, emergency welfare service, emergency transportation, existing or properly assigned functions of plant protection, temporary restoration of public utility services, implementation of energy supply emergency conservation and allocation measures, and other functions related to civilian protection, together with all other activities necessary or incidental to preparation for and carrying out of the foregoing functions.

Sec. 2. Minnesota Statutes 1978, Chapter 12, is amended by adding a section to read:

[12.13] [NUCLEAR POWER PLANT EMERGENCY RESPONSE PLAN.] *Subdivision 1. The state director, in cooperation with the commissioner of health, and affected local units of government shall develop the state and local portions of the emergency response plan specified in the licensing of each nuclear fission electrical generating plant located in Minnesota.*

In addition to any requirements imposed by federal law, the

director shall assess the need for protective actions required to mitigate the effect of an incident at a nuclear power plant, and develop a nuclear power plant emergency response plan which shall include, but is not limited to:

(1) Purchase of equipment including public warning systems, protective devices, and communication systems, including preparation of brochures, pamphlets and educational programs;

(2) Provision of a remote effluent monitoring system capable of continuously identifying and quantifying the radioactive components of all effluents from nuclear fission electrical generating plants into the environment pursuant to section 7;

(3) Development of a detailed nuclear emergency response plan for areas surrounding each nuclear fission electrical generating plant;

(4) Training of state and local emergency response personnel;

(5) Development of accident scenarios and exercises for each plant site for the nuclear emergency response plan; and

(6) Provision of any other specialized response equipment necessary to fulfill the plan.

The director shall provide any necessary assistance to other state agencies in order to improve the state's nuclear power plant emergency response capacity.

Subd. 2. The director, in coordination with the commissioner of public safety, shall provide grants to local units of government for the purpose of providing training and equipment to improve local nuclear power plant emergency response capacity.

Local units of government shall submit grant requests to the director in a manner and form prescribed by him. The director shall allocate grants on the basis of need and conformity with the plan.

Sec. 3. Minnesota Statutes, 1979 Supplement, Section 12.21, Subdivision 1, is amended to read:

12.21 [GOVERNOR.] Subdivision 1. The governor has general direction and control of emergency services and has the power and duty to carry out the provisions of this chapter and, during a civil defense emergency declared as existing under section 12.31, or during the existence of an energy supply emergency as declared under section 116H.09, or during the existence of any emergency resulting from an incident at a nuclear fission electrical generating plant which poses radiological or other health hazard, may assume direct operational control over all or any part of the emergency services functions within this state.

Sec. 4. [ASSESSMENT FOR NUCLEAR POWER PLANT EMERGENCY RESPONSE PLAN.] Any person, firm, corporation or association in the business of owning or operating a

nuclear fission electrical generating plant located in Minnesota, shall pay an assessment of \$400,000 per plant to cover the initial cost of upgrading nuclear power plant emergency response plans and other programs necessary to deal with incidents resulting from the operation of nuclear fission electrical generating plants.

This assessment shall be paid to the state by September 1, 1980. Thereafter, an assessment of \$50,000 per plant shall be paid annually to cover ongoing costs related to the emergency response plan.

Sec. 5. Minnesota Statutes, 1979 Supplement, Section 12.21, Subdivision 4, is amended to read:

Subd. 4. *The governor shall propose procedures for annual review by state and local officials of the evacuation plans state emergency response plan specified in the licensing of each nuclear fission electrical generating plant. The review shall include, but not be limited to such factors as changes in traffic patterns, population densities, and new construction. Opportunity for full public participation in the annual review shall be provided. Copies of an evacuation plan a state emergency response plan shall be published, publicized, and distributed to the news media and to the appropriate officials of affected communities, and shall be made available to the general public upon request, at no more than the cost of reproduction.*

Sec. 6. [CONTINUOUS REMOTE EFFLUENT MONITORING SYSTEMS.] Subdivision 1. *The department of public safety, in cooperation with the department of health and the pollution control agency, shall conduct a study of available continuous, remote effluent monitoring and notification systems and establish requirements for a system, including the type, number and location of devices for that system, suitable for use at Minnesota plant sites. The study shall be completed by January 1, 1981, and the requirements shall be established by July 1, 1981.*

The department of health may also provide for inspections and may require calibrations and maintenance activities to be performed by the operators of monitored plants.

Subd. 2. *The operators of nuclear fission electrical generating plants shall implement the monitoring system requirements within one year of promulgation. In no event shall a plant operator be required to spend more than \$. in capital outlay for a single nuclear power plant site in complying with the monitoring and notification requirements of this section.*

Sec. 7. [APPROPRIATIONS.] Subdivision 1. *The sum of \$681,000 is appropriated from the general fund to the director of emergency services, to be available until expended for the following purposes:*

- | | |
|--|------------------|
| (a) <i>For the purposes provided in section 2:</i> | \$381,000 |
| (b) <i>For the purpose of providing local grants pursuant to section 2, subdivision 2:</i> | \$100,000 |

- (c) *For the purpose of a study of the consequences of a serious nuclear power plant incident at each of the existing operating plant locations, and for the study required in section 7:* **\$200,000**

The study shall include analysis of existing emergency planning zones, and the need for modification or extension, the capacity of state and local agencies to deal with a nuclear power plant emergency, the need for changes in land use regulation near plant sites, the scope of federal assistance during an emergency, the scope and coverage of utility insurance programs, a review of the state's role in emergency planning, and plant operation.

The department of public safety, division of emergency services is authorized to increase its complement by two positions in the unclassified service.

Subd. 2. The sum of \$181,000 is appropriated from the general fund to the commissioner of health for the purchase of equipment, and other costs necessary to carry out the purpose of section 2 to be available until expended.

The department of health is authorized to increase its complement by one full time position."

Delete the title and insert:

"A bill for an act relating to emergency services; providing for a nuclear power plant emergency response plan; providing for assessment of costs to nuclear power plants; requiring the departments of public safety and health to monitor, provide training, and prepare plans for nuclear power plant incidents; changing zoning laws; requiring a study; appropriating money; amending Minnesota Statutes 1978, Chapter 12, by adding a section; and Minnesota Statutes, 1979 Supplement, Sections 12.03, Subdivision 4; and 12.21, Subdivision 1 and 4."

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

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

S. F. No. 1340: A bill for an act relating to motor vehicles; establishing gross weight limitations on certain highways for certain vehicles and combinations of vehicles; providing an exception; providing for the enforcement of weight limitations and providing penalties; authorizing the employment of certain personnel in the unclassified service to enforce certain motor vehicle and traffic laws, and prescribing the conditions of employment; amending Minnesota Statutes 1978, Sections 168.013, Subdivision 3; 169.03, Subdivision 6; 169.83, Subdivision 2; 169.832, Subdivision 2, and by adding a subdivision; 169.85; and 299D.06.

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

Pages 1 to 4, delete section 1 and insert:

"Section 1. Minnesota Statutes, 1979 Supplement, Section 168.013, Subdivision 3, is amended to read:

Subd. 3. [APPLICATION; CANCELAN; EXCESSIVE GROSS WEIGHTS FORBIDDEN.] The applicant for all licenses based on gross weight shall state in writing upon oath, among other things, the unloaded weight of such the motor vehicle or , trailer or semi-trailer and the maximum load the applicant proposes to carry thereon, the sum of which shall constitute the gross weight upon which the license tax shall be paid, but in no case shall the declared gross weight upon which the tax is paid be less than 1½ times the declared unloaded weight of the motor vehicle or , trailer or semi-trailer to be registered, except recreational vehicles taxed under subdivision 1g, school buses taxed under subdivision 18 and wreckers defined in section 169.01, subdivision 52. The gross weight of a wrecker is the actual weight of the wrecker fully equipped, but does not include the weight of a wrecked or disabled vehicle towed or drawn by the wrecker.

The gross weight of no motor vehicle or , trailer or semi-trailer shall exceed the gross weight upon which the license tax has been paid by more than four percent or 1000 pounds, whichever is greater.

The gross weight of the motor vehicle or , trailer or semi-trailer for which such license tax is paid shall be indicated by a distinctive character on the license plate or plates except as provided in subdivision 12 and the plate or plates shall be kept clean and clearly visible at all times.

The owner, driver, or user of a motor vehicle or , trailer or semi-trailer upon conviction for transporting a gross weight in excess of the gross weight for which it was registered or for operating a vehicle with an axle weight exceeding the maximum lawful axle load weight shall be guilty of a misdemeanor and be subject to increased registration or re-registration according to the following schedule:

(1) The owner, driver or user of a motor vehicle or , trailer or semi-trailer upon conviction for transporting a gross weight in excess of the gross weight for which it is registered by more than four percent or 1000 pounds, whichever is greater, but less than 25 percent or for operating or using a vehicle or trailer with an axle weight exceeding the maximum lawful axle load as provided in section 169.83 by more than four percent or 1000 pounds, whichever is greater, but less than 25 percent, in addition to any penalty imposed on him for the misdemeanor shall apply to the registrar to increase the authorized gross weight to be carried on the vehicle to a weight equal to or greater than the gross weight of which the owner, driver, or user was convicted of carrying, the increase computed for the balance of the calendar year on the basis of 1/12 of the annual tax for each month remaining in the calendar year beginning with the first day of the month in which the violation occurred. If the additional registration tax computed upon that

weight, plus the tax already paid, amounts to more than the regular tax for the maximum gross weight permitted for such a vehicle under ~~section~~ sections 169.83 or 169.832, that additional amount shall nevertheless be paid into the highway fund, but the additional tax thus paid shall not be deemed to permit the vehicle to be operated with a gross weight in excess of the maximum legal weight as provided by ~~section~~ sections 169.83 or 169.832. Unless the owner within 30 days after such a conviction shall apply to increase the authorized weight and pay the additional tax as herein provided, the registrar shall revoke the registration on the vehicle and demand the return of the registration card and plates issued by him on that registration.

(2) The owner or driver or user of a *motor vehicle or , trailer or semi-trailer* upon conviction for transporting a gross weight in excess of the gross weight for which the *motor vehicle or , trailer or semi-trailer* was registered by 25 percent or more, or for operating or using a vehicle or trailer with an axle weight exceeding the maximum lawful axle load as provided in ~~section~~ sections 169.83 or 169.832 by 25 percent or more, in addition to any penalty imposed on him for the misdemeanor, shall have the reciprocity privileges on the vehicle involved if the same is being operated under reciprocity canceled by the registrar, or if the vehicle is not being operated under reciprocity, the certificate of registration on the vehicle so operated shall be canceled by the registrar and the registrar shall demand the return of the registration certificate and registration plates. The registrar may investigate any allegation of gross weight violations and demand that the operator show cause why all future operating privileges in the state should not be revoked unless the additional tax assessed be paid.

(3) When the registration on a motor vehicle, trailer or semi-trailer has been revoked by the registrar according to provisions of this section, such vehicle shall not be again operated on the highways of the state until it is registered or re-registered, as the case may be, and new plates issued, and the registration fee therefor shall be the annual tax for the total gross weight of the vehicle at the time of violation. *The re-registration pursuant to this subdivision of any vehicle operating under reciprocity agreements pursuant to sections 168.181 or 168.187 shall be at the full annual registration fee without regard to the percentage of vehicle miles traveled in this state."*

Pages 4 to 8, delete section 3

Page 10, line 3, strike "five" and insert "ten"

Page 10, line 6, after the period, insert "*When the scale is privately owned, the police officer must obtain permission from the owner or operator of the scale before it is used for weighing operations."*

Page 11, delete section 7

Renumber the sections in sequence

Delete the title and insert:

"A bill for an act relating to motor vehicles; providing for the re-registration of certain motor vehicles; exempting certain vehicles from certain weight limitations; providing for the enforcement of weight limitations and providing penalties; amending Minnesota Statutes 1978, Sections 169.03, Subdivision 6; 169.832, Subdivision 2, and by adding a subdivision; 169.85; and Minnesota Statutes, 1979 Supplement, Section 168.013, Subdivision 3."

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

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

S. F. No. 1940: A bill for an act relating to transportation; requiring the consent of municipalities for certain trunk highway improvements; authorizing the commissioner of transportation to convey or otherwise dispose of certain lands no longer needed for trunk highway purposes; authorizing the commissioner to lease airspace above and subsurface areas below trunk highway right-of-way; adding new routes to the trunk highway system, and adding new routes in substitution of existing routes; providing for the designation of handicapped parking spaces; authorizing leaves of absence for certain employees under certain conditions; modifying the procedures for approval of plats which include lands abutting trunk highways; amending Minnesota Statutes 1978, Sections 161.172; 161.23, Subdivision 2; 161.43; 161.433, Subdivision 1; 161.44, Subdivision 1; 169.346, Subdivision 2; 174.03, by adding a subdivision; and 505.03, Subdivision 2; repealing Minnesota Statutes 1978, Section 163.07, Subdivision 3.

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

Page 1, after line 24, insert:

"Section 1. Minnesota Statutes, 1979 Supplement, Section 116I.01, Subdivision 2, is amended to read:

Subd. 2. "Construction" means any clearing of land, excavation, or other action that would adversely affect the natural environment of a pipeline route but does not include changes needed for temporary use of a route for purposes other than installation of a pipeline, for securing survey or geological data, or for the repair or replacement of an existing pipeline within the existing right-of-way, or for the minor relocation of less than three-quarters of a mile of an existing pipeline.

Sec. 2. Minnesota Statutes 1978, Section 160.27, Subdivision 5, is amended to read:

Subd. 5. [MISDEMEANORS.] Except for the actions of the road authorities, their agents, employees, contractors, and utilities in carrying out their duties imposed by law or contract, and except as herein provided, it shall be unlawful to:

(1) Obstruct any highway or deposit snow or ice thereon;

(2) Plow or perform any other detrimental operation within the road right of way except in the preparation of the land for planting a perennial hay crop, and the harvesting of said crop;

(3) Erect a fence on the right of way of a trunk highway, county state-aid highway or county highway, except to erect a lane fence to the ends of a livestock pass;

(4) Dig any holes in any highway;

(5) Remove any earth, gravel or rock from any highway;

(6) Obstruct any ditch draining any highway or drain any non-some materials into any ditch;

(7) Place or maintain any building or structure within the limits of any highway;

(8) Place or maintain any advertisement within the limits of any highway;

(9) Paint, print, place, or affix any advertisement or any object within the limits of any highway;

(10) Deface, mar, damage, or tamper with any structure, work, material, equipment, tools, signs, markers, signals, paving, guard-rails, drain, or any other highway appurtenance on or along any highway;

(11) Remove, injure, displace, or destroy right of way markers, or reference or witness monuments, or markers placed to preserve section or quarter section corners;

(12) Improperly place or fail to place warning signs and detour signs as provided by law;

(13) Drive over, through, or around any barricade, fence, or obstruction erected for the purpose of preventing traffic from passing over a portion of a highway closed to public travel or to remove, deface, or damage any such barricade, fence, or obstruction.

Violations hereof shall be prosecuted by the county attorney of the county where the violations occur. Any person convicted of such violations shall be guilty of a misdemeanor."

Page 2, after line 19, insert:

"Route No. 278. Beginning at a point on Route No. 105 at or near the westerly limits of Minneapolis; thence extending in a generally easterly direction on or near Lowry Avenue in Minneapolis to a point on Route No. 110."

Page 2, line 21, delete "and 264" and insert ", 264 and 278"

Page 2, line 23, delete "and 264" and insert ", 264 and 278"

Page 2, after line 30, insert:

"Sec. 5. [TRUNK HIGHWAY SYSTEM; REMOVAL OF ROUTE NO. 327.] Route No. 327 described in Minnesota Statutes 1978, Section 161.115, is discontinued and removed from the

trunk highway system. The revisor of statutes, in compiling the next and subsequent editions of Minnesota Statutes shall delete Route No. 327."

Page 6, after line 17, insert:

"Sec. 11. Minnesota Statutes 1978, Section 161.51, is amended to read:

161.51 [FEDERAL-STATE SAFETY ACCOUNT.] There is established within the trunk highway fund a federal-state safety account. The commissioner of transportation may transfer the unobligated balance of any direct appropriation to the department of transportation for administrative operations, maintenance, highway development support, research and standards, state aid administration, or planning and programming, into this account if needed to advance state money for approved federal highway safety projects. The commissioner may receive money from state or local governmental agencies to be used for projects under the federal highway safety program. All federal reimbursement shall be deposited in the state treasury and are appropriated to the federal-state safety account to be available until the end of the fiscal biennium during which they are received expended.

Sec. 12. Minnesota Statutes 1978, Section 169.305, Subdivision 1, is amended to read:

169.305 [CONTROLLED ACCESS REGULATIONS AND PENALTIES.] Subdivision 1. (a) No person shall drive a vehicle onto or from any controlled access highway except at such entrances and exits as are established by public authority.

(b) When special crossovers between the main roadways of a controlled access highway are provided for emergency vehicles or maintenance equipment and such crossovers are signed to prohibit "U" turns, it shall be unlawful for any vehicle, except an emergency vehicle ~~or~~ maintenance equipment, *or construction equipment including contractor's and state owned equipment when operating within a marked construction zone*, to use such crossover. For the purposes of this clause "emergency vehicle" includes a wrecker if it is on the way to the location of an accident or a disabled vehicle.

(c) The commissioner of transportation may by order, and any public authority may by ordinance, with respect to any controlled access highway under their jurisdictions prohibit or regulate the use of any highway by pedestrians, bicycles, or other nonmotorized traffic, or by motorized bicycles, or by any class or kind of traffic which is found to be incompatible with the normal and safe flow of traffic.

(d) The commissioner of transportation or the public authority adopting any such prohibitory regulations shall erect and maintain official signs on the controlled access highway on which such regulations are applicable and when so erected no person shall disobey the restrictions stated on such signs.

Sec. 13. Minnesota Statutes 1978, Section 169.42, Subdivision 1, is amended to read:

169.42 [LITTERING OR PLACING REFUSE UPON HIGHWAYS OR ADJACENT LANDS, PRIVATE PROPERTY, PARKS OR PUBLIC PLACE; DROPPING OBJECTS ON VEHICLES.] Subdivision 1. No person shall throw, deposit, place or dump, or cause to be thrown, deposited, placed or dumped upon any street or highway or upon public or privately owned land adjacent thereto without the owner's consent any *snow, ice, glass bottle, glass, nails, tacks, wire, cans, garbage, swill, papers, ashes, refuse, carcass of any dead animal, offal, trash or rubbish or any other form of offensive matter or any other substance likely to injure any person, animal or vehicle upon any such street or highway.*"

Pages 6 and 7, delete sections 8 and 9

Page 8, delete section 11

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 11, delete "providing for the" and insert "discontinuing and removing Route No. 327 from the trunk highway system; permitting certain equipment to use crossovers between the main line roadways of controlled access highways when operating within a marked construction zone; modifying the availability of federal reimbursements deposited in the state treasury and appropriated to the federal-state safety account; prohibiting depositing snow or ice on a highway; excluding minor relocations of pipelines caused by highway construction from the definition of construction;"

Page 1, delete lines 12 and 13

Page 1, line 14, delete "employees under certain conditions;"

Page 1, line 17, after "Sections" insert "160.27, Subdivision 5;"

Page 1, lines 19 and 20, delete "169.346, Subdivision 2; 174.03, by adding a subdivision;" and insert "161.51; 169.305, Subdivision 1; 169.42, Subdivision 1;"

Page 1, line 21, after "Subdivision 2;" insert "and Minnesota Statutes, 1979 Supplement, Section 1161.01, Subdivision 2."

Page 1 lines 21 and 22, delete "repealing Minnesota Statutes 1978, Section 163.07, Subdivision 3."

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

Mr. Moe from the Committee on Finance, to which was referred

H. F. No. 1781: 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 districts, the commissioner of education, the department of education and

others; aid for education of pupils of limited English proficiency; requiring the establishment of local policies to minimize chemical use problems; appropriating money; amending Minnesota Statutes 1978, Sections 120.095, Subdivision 6; 120.10, Subdivision 2; 121.88, by adding a subdivision; 122.22, Subdivisions 2 and 4; 122.23, Subdivisions 9 and 10; 122.25, Subdivision 1; 122.531, by adding subdivisions; 123.11, Subdivision 7; 123.36, by adding a subdivision; 123.39, Subdivision 3; 123.932, Subdivision 9, and by adding a subdivision; 124.20; 124.214, Subdivision 2; 124.572, Subdivision 7; 126.07; 126.36, Subdivision 3; 126.52, Subdivision 5, and by adding a subdivision; 126.54, Subdivisions 5 and 6; 127.09; 127.11; 127.21; 134.03; 134.08; 275.125, Subdivisions 5 and 5a; 354.05, Subdivision 2; Chapter 124, by adding a section; Chapter 125, by adding a section; Minnesota Statutes, 1979 Supplement, Sections 120.075, Subdivision 4, and by adding a subdivision; 121.912, Subdivision 1; 122.541, Subdivision 5; 123.35, Subdivision 15; 124.01; 124.11, Subdivisions 2a and 2b, and by adding a subdivision; 124.19, Subdivision 4; 124.212, Subdivision 7d; 124.223; 124.225; 124.245, Subdivisions 1 and 2; 124.247, Subdivisions 3 and 4; 126.54, Subdivision 1; 124.561, Subdivision 3a; 124.562, Subdivisions 2, 3 and 4; 124.5621, Subdivision 11; 124.5624, Subdivision 6; 124.5625; 124.565, Subdivision 6; 124.566; 124.572, Subdivision 2; 276.125, Subdivisions 2a, 2b, 7a, 7b, 11a and 20; 353.01, Subdivision 2b; 354A.011, Subdivision 27; 465.72: Laws 1979, Chapter 69, Sections 2 and 5; Chapter 334, Article VI, Section 35, Subdivision 9; Article VIII, Section 29; repealing Minnesota Statutes 1978, Sections 122.531, Subdivision 3; 125.61, as amended; 126.31 to 126.35; 126.36, Subdivisions 5 and 6; 126.37; 126.38; 126.39, Subdivisions 1, 2, 3, 4, 5, 6, 7, 8 and 9; 126.40, Subdivisions 1 and 2; 126.41, Subdivisions 2, 3, 4, 5, 6 and 7; 126.42; 126.52, Subdivisions 1, 2, 3, 4, 6 and 7; 127.22; Minnesota Statutes, 1979 Supplement, Sections 124.222, Subdivision 3; 126.39, Subdivision 10; 126.41, Subdivision 1; 126.52, Subdivision 10; Laws 1979, Chapter 334, Article V, Section 29.

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

Delete everything after the enacting clause and insert:

"ARTICLE I FOUNDATION AID

Section. 1. Minnesota Statutes 1978, Section 124.214, Subdivision 2, is amended to read:

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. 2. Minnesota Statutes, 1979 Supplement, Section 124.224, Subdivision 8, is amended to read:

Subd. 8. [EXPIRATION.] This section shall expire June 30, 1980 with the final 1980 payment pursuant to subdivision 7.

Sec. 3. Minnesota Statutes, 1979 Supplement, Section 275.125, Subdivision 7a, is amended to read:

Subd. 7a. (1) In 1979 each district which levies the maximum permissible amount pursuant to subdivisions 2a, clauses (1), (2), and (4); 6b; and 6c, may levy an additional amount which shall not exceed the lesser of (a) an amount equal to one-half mill times the district's 1978 adjusted assessed valuation or (b) the product obtained by multiplying \$27.50 times the number of pupil units identified in section 124.17, subdivision 1, clauses (1), (2), (4), and (5), in the district in the 1979-1980 school year.

(2) In 1980 and each year thereafter, each district which levies the maximum permissible amount pursuant to subdivisions 2a, clauses (1), and (2) and (4); 6b; and 6c, may levy an additional amount which shall not exceed the lesser of (a) an amount equal to one mill times the district's adjusted assessed valuation for the preceding year or (b) the product obtained by multiplying (i) the ratio of the equalizing factor to 1.000, times (ii) the number of pupil units identified in section 124.17, subdivision 1, clauses (1), (2), (4), and (5), in the district in the school year when the levy is certified.

(3) By August 4 before a district certifies any levy pursuant to this subdivision in 1979, or By the July 1 before a district certifies any levy pursuant to this subdivision in 1980, in any even-numbered year thereafter, or in any odd-numbered year thereafter when the district has not certified a levy pursuant to this subdivision in the preceding year, the board of the district shall hold a public hearing on the need for the proposed levy pursuant to this subdivision. At least three weeks published notice of the hearing in 10 point type, on 12 point body, with a larger headline, shall be given in the legal newspaper with the largest circulation in the

district. The notice shall state the amount of the proposed levy in dollars and mills, the net unappropriated fund balance in the district's operating funds as of the June 30 before the levy is certified, and the tax impact of the proposed levy on homesteads with market values of \$30,000 and \$50,000. At the hearing, the district shall present its proposed revenue and expenditure budgets for the next two school years and the net unappropriated fund balances in all district funds as of the June 30 before the levy is certified, and the board shall hear all parties requesting to give testimony for and against the proposed levy. Upon petition within 20 days after the hearing of five percent of the number of voters who voted in the district at the preceding statewide general election, the board shall call a referendum on a reduction of the proposed levy. The petition shall state the number of mills on the district's adjusted assessed valuation by which it proposes to reduce the proposed levy. No petition or referendum shall provide for a reduction of a proposed levy pursuant to this subdivision to a rate less than one-half mill on the district's adjusted assessed valuation below the rate levied by the district pursuant to this subdivision in the preceding year. The referendum shall be held on a date set by the school board, but no later than September 20 in 1979 or the August 20 before the levy is certified in subsequent years. The question on the ballot shall state the maximum amount of the proposed levy; the amount of the proposed reduction of the levy; and the amount of the levy if the reduction is approved, in mills on the district's adjusted assessed valuation and in dollars in the first year of the proposed levy. The district may levy the amount provided by the millage proposed by the school board, reduced by any reduction in millage approved at a referendum pursuant to this clause, applied to the preceding year's adjusted assessed valuation until the next even-numbered year. The district is not required to hold a public hearing or call a referendum on a levy pursuant to this subdivision in any odd-numbered year after 1979 which succeeds a year in which a levy is certified pursuant to this subdivision.

Sec. 4. [DEFICIENCY APPROPRIATION; 1979 SUMMER SCHOOL.] *The sum of \$685,000 is appropriated from the general fund to the department of education for the year ending June 30, 1980, for the payment of a deficiency in funds available for the payment of foundation aid for 1979 summer school programs. This appropriation shall be added to the amount appropriated and allocated for aid for foundation aid for 1979 summer school programs in Laws 1979, Chapter 334, Article I, Section 28, Subdivision 3.*

Sec. 5. [DEFICIENCY APPROPRIATION; SPARSITY AID.]
Subdivision 1. *The sum of \$30,000 is appropriated from the general fund to the department of education for the year ending June 30, 1980, for a deficiency in funds available for the payment of sparsity aid. This appropriation shall be added to the amount appropriated for sparsity aid in Laws 1979, Chapter 334, Article 1, Section 28, Subdivision 4.*

Subd. 2. *The sum of \$6,000 is appropriated from the general fund to the department of education for the year ending June 30,*

1981, for a deficiency in funds available for the payment of sparsity aid. This appropriation shall be added to the amount appropriated for sparsity aid in Laws 1979, Chapter 334, Article I, Section 28, Subdivision 4.

Sec. 6. [DEFICIENCY APPROPRIATION; SCHOOL LUNCH.] Subdivision 1. [1980.] The sum of \$160,000 is appropriated from the general fund to the department of education for the year ending June 30, 1980, for the payment of the deficiency in funds available for school lunch aid in that year, pursuant to section 124.646. This appropriation shall be added to the sum appropriated for fiscal year 1980 in Laws 1979, Chapter 334, Article VI, Section 35, Subdivision 8.

Subd. 2. [1981.] The sum of \$160,000 is appropriated from the general fund to the department of education for the year ending June 30, 1981, for the payment of the deficiency in funds available for school lunch aid in that year, pursuant to section 124.646. This appropriation shall be added to the sum appropriated for fiscal year 1981 in Laws 1979, Chapter 334, Article VI, Section 35, Subdivision 8.

Sec. 7. [RETROACTIVE EFFECTIVE DATE.] Section 1 of this article is effective retroactive to August 1, 1979.

Sec. 8. [EFFECTIVE DATE.] Sections 3, 4, 5 and 6 of this article are effective the day following final enactment.

ARTICLE II TRANSPORTATION

Section 1. Minnesota Statutes, 1979 Supplement, Section 124.223, is amended to read:

124.223 [TRANSPORTATION AID AUTHORIZATION.] 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, the conveying of handicapped pupils between home and school and within the school plant, *necessary transportation of handicapped pupils during the school day to other buildings within or outside the district where services are provided*, and necessary transportation for resident handicapped pupils required by section 120.17, subdivision 4a . *Transportation of handicapped pupils between home and school shall not be subject to the one mile requirement for aid provided in clause (1) ;*

(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) and ~~clause~~ *clauses (9) and (10)* when provided in conjunction with a state board approved summer school program;

(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 vocational classes not provided at a secondary vocational center which are approved by the commissioner for resident pupils of any of these districts; 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. 2. Minnesota Statutes, 1979 Supplement, Section 124.225, is amended to read:

124.225 [TRANSPORTATION AID ENTITLEMENT.] Subdivision 1. For purposes of this section, the terms defined in this subdivision have the meanings given to them.

(a) "FTE" means a transported full time equivalent pupil whose transportation is authorized for aid purposes by section 124.223.

(b) "Region" means development region as defined in section 462.384, subdivision 5, except that for purposes of this section, development regions 1 and 2 shall be considered one region, development regions 4 and 5 shall be considered one region, development regions 6E and 6W shall be considered one region, and development regions 7E and 7W shall be considered one region.

(c) "Total authorized cost" or "total authorized expenditure" means the sum of:

(i) all expenditures for transportation for which aid is authorized in section 124.223, plus

(ii) an amount equal to one year's depreciation on the district's school bus fleet and mobile units computed on a straight line basis at the rate of $12\frac{1}{2}$ percent per year of the cost of the fleet, plus

(iii) an amount equal to one year's depreciation on district school buses reconditioned by the department of corrections computed on a straight line basis at the rate of $33\frac{1}{3}$ percent per year of the cost to the district of the reconditioning.

~~(e)~~ (d) "Total authorized predicted cost" means the total authorized cost predicted by a linear multiple regression formula determined by the department of education.

~~(d)~~ (e) For the 1979-1980 school year, "regular and summer school authorized FTE's transported" means full time equivalent pupils transported under section 124.223, clause (1), during the regular school year and in conjunction with a state board approved summer school program.

(f) "Transportation category" means a category of transportation service provided to pupils. Each category includes transportation provided during the regular school year and in conjunction with a state board approved summer school program. For purposes of this section, transportation categories are as follows:

(i) Regular transportation is transportation services provided under section 124.223, clauses (1) and (2), excluding transportation between schools under section 124.223, clause (1);

(ii) Secondary vocational center transportation is transportation services provided under section 124.223, clause (3);

(iii) Handicapped transportation is transportation services provided under section 124.223, clause (4), excluding board and lodging and excluding transportation to and from board and lodging facilities;

(iv) Board and lodging is services provided, in lieu of transportation, under section 124.223, clauses (4) and (5);

(v) Between schools transportation is transportation services between schools provided under section 124.223, clause (1);

(vi) Shared time regular transportation is transportation services provided under section 124.223, clause (6), excluding transportation provided for pupils attending shared time special education classes;

(vii) Shared time special education transportation is transportation services for pupils attending shared time special education classes provided under section 124.223, clause (6);

(viii) To and from board and lodging facility transportation is transportation services to and from board and lodging facilities provided under section 124.223, clauses (4) and (7);

(ix) *Cooperative academic and vocational transportation is transportation services provided under section 124.223, clause (9);*

(x) *Nonpublic health, guidance and counseling transportation is transportation services provided under section 124.223, clause (10);*

(g) *"Pupil weighting factor" means the ratio of the actual regional average cost per FTE in a particular transportation category to the actual regional average cost per FTE in the regular transportation category.*

(h) *"Weighted FTE's" means the number of FTE's in each transportation category multiplied by the pupil weighting factor for that category.*

(i) *"Mobile unit" means a vehicle or trailer designed to provide facilities for educational programs and services, including diagnostic testing, guidance and counseling services and health services. A mobile unit may be a neutral site as defined in section 123.932, subdivision 9.*

Subd. 1a. In computing transportation aid for each school year, the department of education shall establish the pupil weighting factors for each transportation category for each region using transportation cost data for the second prior school year. The department shall use the statewide pupil weighting factor for any transportation category for which a region had no experience during the second prior school year.

Subd. 2. For the 1979-1980 school year, the state shall pay to each school district for all pupil transportation and related services for which the district is authorized by law to receive state aid an amount determined according to this section. A linear regression formula shall be determined for each planning region by the department of education, using the terms specified in subdivision 4, to maximize the amount of variance accounted for between the total actual authorized cost per FTE for the 1977-1978 school year and the total authorized predicted cost per FTE for the 1977-1978 school year. The formula determined for each region shall be used to determine a total authorized predicted cost per FTE for the 1977-1978 school year for each district in the region. The amount determined for each district shall be adjusted according to the provisions of subdivisions 5 and 7. The linear regression formulas shall be determined so that the total transportation aid for the 1979-1980 school year does not exceed the amount appropriated for transportation aid for the 1979-1980 school year.

Subd. 3. For the 1980-1981 school year, the state shall pay to each school district for all pupil transportation and related services for which the district is authorized by law to receive state aid an amount determined according to this section. A linear multiple regression formula shall be determined through stepwise multiple regression analysis for each planning region by the department of education, using the terms specified in subdivision 4a, to maximize the amount of variance accounted for between the total

actual authorized cost per *weighted FTE* for the 1978-1979 school year and the total authorized predicted cost per *weighted FTE* for the 1978-1979 school year. The formula determined for each region shall be used to determine a total authorized predicted cost per *weighted FTE* for the 1978-1979 school year for each district in the region. The amount determined for each district shall be adjusted according to the provisions of subdivisions 6 and 7 7a. The linear regression formulas shall be determined so that the total transportation aid for all districts for the 1980-1981 school year does not exceed the amount appropriated for transportation aid for the 1980-1981 school year.

Subd. 4. To predict the natural logarithm of the total authorized cost per FTE transported authorized by law for the 1979-1980 school year, the linear regression formula shall use the following terms and all their cross products:

(1) The natural logarithm of the quotient of 1.00 divided by the total number of authorized FTE's transported;

(2) The natural logarithm of the sum of 100 plus the difference between the average of the square roots computed for all districts in the state of the number of regular and summer school authorized FTE's transported per square mile minus the square root of the number of regular and summer school authorized FTE's transported per square mile in the district;

(3) The natural logarithm of the ratio of the number of regular and summer school authorized FTE's transported to the district's total average daily membership;

(4) The natural logarithm of the number of regular and summer school authorized FTE's transported per square mile;

(5) The natural logarithm of the district's average daily membership;

(6) The natural logarithm of the size of the district measured in square miles; and

(7) The natural logarithm of the total number of FTE's transported by the district authorized for aid pursuant to section 124.-223 minus the number of regular and summer school authorized FTE's transported.

Subd. 4a. To predict the total authorized cost per *weighted FTE* for each district beginning in the 1980-1981 school year, each regional multiple regression formula shall use the following terms and their squares for each district in the region:

(1) The area of the district measured in square miles;

(2) The district's average daily membership;

(3) The total number of authorized FTE's transported by the district;

(4) The total number of authorized FTE's transported by the district in the handicapped, shared time special education, and

to and from board and lodging facility transportation categories as a percentage of the total number of authorized FTE's transported by the district;

(5) The number of authorized FTE's transported by the district in the board and lodging transportation category as a percentage of the total number of authorized FTE's transported by the district;

(6) The number of authorized FTE's transported by the district in the between schools transportation category as a percentage of the total number of authorized FTE's transported by the district;

(7) The number of authorized FTE's transported by the district in the shared time regular transportation category as a percentage of the total number of authorized FTE's transported by the district;

(8) The number of authorized FTE's transported by the district in the secondary vocational center transportation category as a percentage of the total number of authorized FTE's transported by the district;

(9) The number of authorized FTE's per square mile transported by the district in the regular transportation category;

(10) The number of authorized FTE's per square mile transported by the district in the handicapped transportation category;

(11) The number of authorized FTE's transported by the district in the regular transportation category as a percentage of the district's average daily membership;

(12) An index of the district's shape computed by the department of education based on a comparison of the perimeter of the district to the perimeter of a circle with the same square mile area as the district;

(13) The percentage of the district's square mile area which is classified by the state planning agency as water-covered or marshland;

(14) The number of 40 acre parcels of land in the district which are contiguous to or intersected by unpaved roads, as a percentage of the number of 40 acre parcels of land in the district which are contiguous to or intersected by any roads, paved or unpaved. The number of 40 acre parcels of each type shall be obtained from the state planning agency;

(15) The percentage of the district's square mile area which is classified by the state planning agency as having a slope of land exceeding six percent;

(16) The number of authorized FTE's transported to nonpublic schools by the district in the regular transportation category as a percentage of the total number of authorized FTE's transported by the district in the regular transportation category.

Subd. 5. The total authorized predicted cost per FTE determined for a district under subdivision 2 for 1977-1978 shall be increased by 17 26 percent.

Subd. 6. The total authorized predicted cost per *weighted* FTE determined for a district under subdivision 3 for 1978-1979 shall be increased by 17 28 percent.

Subd. 7. (1) Each district's adjusted total authorized predicted cost per FTE determined for ~~each~~ *the* 1979-1980 school year according to subdivision 5 or 6 shall be compared to the total actual expenditure per FTE for authorized transportation for that district for that year to determine the district's aid entitlement per FTE for that year.

(2) *For the 1979-1980 school year*, if the adjusted total authorized predicted cost per FTE is greater than the district's actual authorized expenditure per FTE, its aid entitlement per FTE shall equal the adjusted predicted cost per FTE minus 10 percent of the first \$10 of difference between the adjusted total authorized predicted cost per FTE and the actual expenditure per FTE; minus 20 percent of the next \$20; minus 40 percent of the next \$20; minus 60 percent of the next \$50; and minus 75 percent of the difference which exceeds \$100.

(3) *For the 1979-1980 school year*, if the adjusted total authorized predicted cost per FTE is less than the district's actual authorized expenditure per FTE, its aid entitlement per FTE shall equal the adjusted total authorized predicted cost per FTE plus 10 percent of the first \$10 of difference between the adjusted predicted cost per FTE and the actual expenditure per FTE; plus 20 percent of the next \$20; plus 40 percent of the next \$20; plus 60 percent of the next \$50; and plus 75 percent of the difference which exceeds \$100.

(4) Notwithstanding clauses (2) and (3), for the 1979-1980 school year, no district's aid entitlement per FTE shall be less than its actual authorized expenditure per FTE minus \$20 or more than its actual authorized expenditure per FTE plus \$20.

Subd. 7a. (1) *Each district's adjusted total authorized predicted cost per weighted FTE determined for the 1980-1981 school year and each year thereafter according to subdivision 6 shall be compared to the total actual expenditure per weighted FTE for authorized transportation for that district for that year to determine the district's aid entitlement per weighted FTE for that year.*

(2) *If the adjusted total authorized predicted cost per weighted FTE is greater than the district's actual authorized expenditure per weighted FTE, its aid entitlement per weighted FTE shall equal the adjusted predicted cost per weighted FTE minus 10 percent of the first \$10 of difference between the adjusted total authorized predicted cost per weighted FTE and the actual expenditure per weighted FTE; minus 20 percent of the next \$20; minus 75 percent of the difference which exceeds \$30.*

(3) If the adjusted total authorized predicted cost per weighted FTE is less than the district's actual authorized expenditure per weighted FTE, its aid entitlement per weighted FTE shall equal the adjusted total authorized predicted cost per weighted FTE plus 10 percent of the first \$10 of difference between the adjusted predicted cost per weighted FTE and the actual expenditure per weighted FTE; plus 20 percent of the next \$20; plus 75 percent of the difference which exceeds \$30.

Subd. 8. A district's aid pursuant to this section for each *the* 1979-1980 school year shall equal the district's aid entitlement per FTE determined according to subdivision 7 times the total number of authorized FTE's transported in the district in that school year, minus the amount raised by one mill times the adjusted assessed valuation which is used to compute the transportation levy limitation for the levy attributable to that school year.

Subd. 8a. A district's aid pursuant to this section for the 1980-1981 school year and each year thereafter shall equal the district's aid entitlement per weighted FTE determined according to subdivision 7a times the total number of authorized weighted FTE's transported in the district in that school year, minus the amount raised by one mill times the adjusted assessed valuation which is used to compute the transportation levy limitation for the levy attributable to that school year.

Subd. 9. Each district shall report to the department before July 1 of each year an estimate for the next school year of the total number of FTE's transported by *transportation* category and an estimate of the district's total actual authorized transportation expenditure by *transportation* category. The district's aid shall be determined for purposes of the first three transportation aid payments for the school year using these estimates. Before August 15 of each year, 1980, each district shall provide the department with the information for the *preceding* 1979-1980 school year which the department determines is necessary to compute the district's actual authorized expenditure per FTE for purposes of the computation in subdivision 7 and the district's actual total number of FTE's transported for purposes of the aid computation in subdivision 8. *Before August 15, 1981, and each August 15 thereafter, each district shall provide the department with the information for the preceding school year which the department determines is necessary to compute the district's actual authorized expenditure per weighted FTE for purposes of the computation in subdivision 7a and the district's actual total number of weighted FTE's transported for purposes of the aid computation in subdivision 8a.* The district's final transportation aid payment for ~~that~~ *the* school year shall be based on these computations.

Subd. 10. Any school district which owns school buses or mobile units shall transfer annually from *the unappropriated fund balance account* in its transportation fund to *the appropriated fund balance account* for bus purchases in its bus purchase transportation fund at least an amount equal to 12- $\frac{1}{2}$ percent of the original cost of each bus or mobile unit until the original cost of each bus or mobile unit is fully amortized, plus 33- $\frac{1}{3}$ percent of the cost to

the district as of July 1 of each year for school bus reconditioning done by the department of corrections until the cost of the reconditioning is fully amortized. Any school district may transfer any amount from the unappropriated fund balance account in its transportation fund to any other operating fund or to the appropriated fund balance account for bus purchases in its bus purchase transportation fund.

Nothing in this subdivision shall permit a district to amortize the cost of a mobile unit purchased with funds received pursuant to section 9 of this article.

Subd. 11. [PAYMENT SCHEDULE.] Except as may be otherwise authorized by the commissioner to accommodate a flexible school year program, the state shall pay to each school district 30 percent of its estimated school transportation aid entitlement for the fiscal year on or before each of the following dates: August 31, December 31, and March 31. The final aid distribution to each district shall be made on or before October 31 of the following fiscal year.

Sec. 3. Minnesota Statutes 1978, Section 275.125, Subdivision 5, is amended to read:

Subd. 5. For school transportation services, a school district may levy an amount not to exceed the amount raised by a levy of one mill times the adjusted assessed valuation of the taxable property of the district for the preceding year. A district may levy under this subdivision for the annual cash payments to be made for the purchase of buses, or mobile units, as defined in section 2 of this article, or the reconditioning of buses, but only for that portion of the payments not offset by state transportation aid received on account of depreciation the amount transferred to the district bus purchase fund pursuant to section 124.225, subdivision 10. Beginning with the levy certified in 1976, A district may levy for transportation costs or other related services which are approved by the commissioner as necessary because of extraordinary traffic hazards for the current fiscal year.

Sec. 4. Minnesota Statutes 1978, Section 275.125, Subdivision 5a, is amended to read:

Subd. 5a. Upon approval of the commissioner, a district may levy for increased transportation costs above the formula limitation resulting from changes in transportation patterns required by leasing a school in another district provided that the cost increases are estimated to be a direct result of leasing that school and the increases result in costs above the formula limitation. When the transportation patterns of a district change as a result of leasing a school in another district, the district may, upon approval of the commissioner, levy for any increase in transportation cost above the cost that would occur without the leasing of the school. The commissioner shall approve a specific dollar amount which may be levied because of these increased costs. The levy authorized by this subdivision may be computed on the basis of estimated increased costs. In the first year a district makes the levy authorized by this subdivision, the commissioner may

authorize a levy sufficient to pay for estimated increased costs resulting from leasing for two years. The amount provided by this levy shall not be included in the computation of the actual net operating cost per pupil transported in future years.

Sec. 5. In accordance with section 648.34, in the next edition of Minnesota Statutes, the revisor of statutes shall renumber section 124.224 as section 124.2131 and alter references to it in the statutes to conform to the change.

Sec. 6. Laws 1979, Chapter 334, Article 2, Section 15, Subdivision 2, is amended to read:

Subd. 2. [TRANSPORTATION AID.] For transportation aid there is appropriated:

~~\$80,228,000~~ \$ 92,925,700 . . . 1980,

~~\$92,512,000~~ \$103,766,000 . . . 1981.

The appropriation for 1980 includes \$7,600,700 for aid for fiscal year 1979 payable in fiscal year 1980, and ~~\$81,627,300~~ \$85,325,000 for aid for fiscal year 1980 payable in fiscal year 1980.

The appropriation for 1981 includes ~~\$9,000,000~~ \$9,969,000 for aid for fiscal year 1980 payable in fiscal year 1981 and ~~\$82,512,000~~ \$93,797,000 for aid for fiscal year 1981 payable in fiscal year 1981.

Sec. 7. Laws 1979, Chapter 334, Article 2, Section 15, Subdivision 3, is amended to read:

Subd. 3. Any unexpended balance remaining from the appropriation in this section for 1980 shall cancel and shall not be available for the second year of the biennium. None of the amounts appropriated in this section shall be expended for a purpose other than the purpose indicated. If the appropriated amount attributable to either year for any purpose indicated is insufficient, the aid for that year shall be prorated among all qualifying districts. The state shall not be obligated for any amount in excess of the appropriations in this section for those purposes.

Sec. 8. Subdivision 1. There is appropriated from the general fund to the department of education an amount not to exceed \$30,000 which shall be transmitted to the educational cooperative service unit whose boundaries encompass development regions 1 and 2 for the purchase of a mobile unit designed to provide facilities for educational programs and services, including diagnostic testing and health services.

Subd. 2. There is appropriated from the general fund to the department of education an amount not to exceed \$30,000 which shall be transmitted to the educational cooperative service unit whose boundaries encompass development regions 6 and 8 for the purchase of a mobile unit designed to provide facilities for educational programs and services, including diagnostic testing and health services.

Subd. 3. There is appropriated from the general fund to the department of education an amount not to exceed \$30,000 which shall be transmitted to the educational cooperative service unit whose boundaries encompass development region 4 for the purchase of a mobile unit designed to provide facilities for educational programs and services, including diagnostic testing and health services.

Subd. 4. There is appropriated from the general fund to the department of education an amount not to exceed \$30,000 which shall be transmitted to the educational cooperative service unit whose boundaries encompass development region 10 for the purchase of a mobile unit designed to provide facilities for educational programs and services, including diagnostic testing, guidance and counseling services and health services.

Subd. 5. The appropriations in this section are available until June 30, 1981.

Sec. 9. [MOBILE UNITS.] *Subdivision 1. For purposes of this section, "mobile unit" has the meaning given it in section 2 of this article.*

Subd. 2. Notwithstanding section 124.212, subdivision 9b, or any other section, for the 1980-1981 school year the commissioner of education shall make grants to ten school districts for the experimental use of mobile units to provide any of the following programs and services to public and nonpublic school pupils: diagnostic testing, health services, as defined in section 123.932, subdivision 11, and guidance and counseling services, as defined in section 123.932, subdivision 10, both in accordance with the provisions of section 123.935; and special instruction and services for handicapped children, as defined in section 120.03. Any pupil support service which a district offers through the mobile unit pursuant to this subdivision to public school pupils it shall also offer through the mobile unit to nonpublic school pupils who have requested the services pursuant to section 123.935.

Subd. 3. A district may use the grant funds to purchase or rent a mobile unit, to remodel, equip and operate it, and to pay for any costs incurred in providing the authorized programs and services; except that the district may not use the grant funds to pay the salaries of the professional instructional staff who work in the mobile unit.

Subd. 4. The commissioner shall prescribe the form, manner and time of application for the grants and shall select the participating school districts.

Subd. 5. The programs and services authorized by subdivision 2 shall be provided by public employees at neutral sites as defined in section 123.932, subdivision 9. The programs and services provided to nonpublic school pupils shall be limited to those for which the district provides equivalents, through the mobile unit program or otherwise, to public school pupils. The amount a district spends through the mobile unit program and otherwise for a program or service to nonpublic school pupils shall be no greater on a per pupil

basis than the amount it spends through the mobile unit program and otherwise for the equivalent program or service for public school pupils.

Subd. 6. A district receiving a grant shall report to the commissioner of education by August 1, 1982 on the effectiveness of the mobile unit program in the district. The commissioner shall report to the education committees of the legislature on the effectiveness of the program by December 1, 1982.

Sec. 10. Notwithstanding section 123.937, the funds to pay for the grant program established pursuant to section 9 of this article shall be taken from the appropriation made pursuant to section 123.937 for the fiscal year ending June 30, 1981.

Sec. 11. Subdivision 1. Before February 1, 1981, the department of education shall report to the appropriate committees of the legislature on proposed measures for economy and cost effectiveness in school transportation and related services. The report shall include a study of the existing administration of transportation services based on a sampling of school districts of representative sizes and locations, and other data throughout the state. The report shall also include recommendations by the department on the following:

(1) Measures by districts to reduce fuel costs, conserve fuel and increase the overall efficiency of transportation and related services;

(2) Adjustments to the transportation aid entitlement formula; and

(3) Measures by the department of education which will assist districts in reducing their costs for transportation and related services.

Subd. 2. After February 1, 1981, the department of education shall provide technical assistance to school districts which request it for developing computer assisted bus routing plans.

Subd. 3. The department of education may increase its staff complement by two professional employees and one clerical employee for the purposes of subdivisions 1 and 2. The department may also contract with consultants or employ necessary temporary personnel for the purposes of subdivision 1.

Sec. 12. There is appropriated from the general fund to the department of education the sum of \$150,000 for the purposes of section 11 of this article. This appropriation is available until June 30, 1981.

Sec. 13. [REPEALER.] Minnesota Statutes, 1979 Supplement, Section 124.222, Subdivision 3, is repealed.

Sec. 14. [EFFECTIVE DATE.] This article is effective the day following final enactment.

ARTICLE III

SPECIAL EDUCATION

Section 1. Minnesota Statutes 1978, Section 120.17, Subdivision 1, is amended to read:

120.17 [HANDICAPPED CHILDREN.] Subdivision 1. [SPECIAL INSTRUCTION FOR HANDICAPPED CHILDREN OF SCHOOL AGE.]

(1) Every district shall provide special instruction and services, either within the district or in another district, for handicapped children of school age who are residents of the district and who are handicapped as set forth in section 120.03.

(2)(a) *For the 1980-1981 and 1981-1982 school years, school age means the ages of four years to 21 years for children who are handicapped as defined in section 120.03 and shall not extend beyond secondary school or its equivalent. The department of education shall, in cooperation with the department of health and the department of welfare, design a statewide plan and conduct a statewide assessment of the special education and related service needs of all handicapped children younger than four years of age as of September 1, 1980. The statewide plan shall provide for a comprehensive delivery system to be implemented through inter-agency cooperation. The procedures for the needs assessment shall be designed by September 1, 1980, and be implemented during the 1980-81 school year. During the 1981-82 school year, every district shall, using the statewide comprehensive delivery system plan formulated by the department of education in cooperation with the department of health and the department of welfare, prepare an estimate of the number of students it shall serve, pursuant to clauses (b), (c), (d), and (e). The estimate shall be transmitted to the department of education on forms provided by the department before September 1, 1981. The estimate shall be updated annually through 1985. The updated estimate shall be transmitted to the department of education before September 1 of each year.*

(b) *For the 1982-1983 school year, school age means the ages of three years to 21 years for children who are handicapped as defined in section 120.03 and shall not extend beyond secondary school or its equivalent.*

(c) *For the 1983-1984 school year, school age means the ages of two years to 21 years for children who are handicapped as defined in section 120.03 and shall not extend beyond secondary school or its equivalent.*

(d) *For the 1984-1985 school year, school age means the ages of one year to 21 years for children who are handicapped as defined in section 120.03 and shall not extend beyond secondary school or its equivalent.*

(e) *For the 1985-1986 school year and thereafter, school age means from birth to 21 years for children who are handicapped as*

defined in section 120.03 and shall not extend beyond secondary school or its equivalent. For purposes of this subdivision, the age of a handicapped child shall be his age as of September 1 of the calendar year in which the school year for which he seeks special instruction and services commences.

(3) Every district may provide special instruction and services for handicapped children who have not attained school age. Districts with less than the minimum number of eligible handicapped children as determined by the state board shall cooperate with other districts to maintain a full sequence of programs for education, training and services for handicapped children as defined in section 120.03. In complying with clause (2), (b), (c), (d) and (e) of this subdivision, districts shall cooperate with head start programs, developmental achievement centers and other existing programs which provide services for handicapped children below age four to provide a full sequence of programs for education, training and services for those children.

Sec. 2. Minnesota Statutes 1978, Section 124.48, is amended to read:

124.48 [INDIAN SCHOLARSHIPS.] The state board may award scholarships to any Minnesota resident student who is of one-fourth or more Indian ancestry and who, in the opinion of the board, has the capabilities to benefit from education. Scholarships shall be for advanced or specialized education in accredited or approved colleges or in business, technical or vocational schools or in accredited or approved college preparatory schools. Scholarships shall be used to defray tuition, incidental fees, books, supplies, transportation, other related school costs and the cost of board and room and shall be paid directly to the college or school concerned. The amount and type of each such scholarship shall be determined through the advice and counsel of the Minnesota Indian scholarship committee.

When an Indian student satisfactorily completes the work required by a certain college or school in a school year he is eligible for additional scholarships, if additional training is necessary to reach his educational and vocational objective. Scholarships may not be given to any Indian student for more than four years of study.

A scholarship for college preparatory school may not be given to any Indian student for more than four years of study. A scholarship for advanced or specialized education in college, business, technical or vocational schools may not be given to any Indian student for more than four years of study.

For the purposes of this subdivision, an accredited or approved college preparatory school is a private secondary school which (1) is fully accredited by either the North Central Association of Secondary Schools and Colleges or the Independent Schools Association of the Central States, (2) is making satisfactory progress toward full accreditation by either the North Central Association of Secondary Schools and Colleges or the Independent Schools Association of the Central States, or (3) is determined by the

board to maintain programs and standards substantially equivalent to those institutions in Minnesota which are fully accredited.

Sec. 3. Minnesota Statutes, 1979 Supplement, Section 126.54, Subdivision 1, is amended to read:

126.54 [PILOT PROGRAMS.] Subdivision 1. [GRANTS; PROCEDURES.] For fiscal years 1978, 1979, and 1980, as part of the needs assessment effort year 1981, the state board of education shall make grants to no fewer than six school year pilot American Indian language and culture education programs. At least three pilot programs shall be in urban areas and at least three shall be on or near reservations. The board of a local district, a participating school or group of boards may develop a proposal for grants in support of pilot American Indian language and culture education programs. Proposals may provide for contracts for the provision of program components by nonsectarian nonpublic, community, tribal or alternative schools. The state board shall prescribe the form and manner of application for grants, and no grant shall be made for a proposal not complying with the requirements of sections 126.45 to 126.55. The state board shall submit all proposals to the state advisory task force on American Indian language and culture education programs for its recommendations concerning approval, modification, or disapproval and the amounts of grants to approved programs.

Sec. 4. [PROGRAM FOR PUPILS OF LIMITED ENGLISH PROFICIENCY.] Subdivision 1. [DEFINITIONS.] For purposes of this section, the terms defined in this subdivision have the meanings given them.

(a) "Pupil of limited English proficiency" means a pupil in any of grades kindergarten through 12 who meets the following requirements:

(i) the pupil, as declared by his parent or guardian either (A) first learned a language other than English; or (B) comes from a home where the language usually spoken is other than English; or (C) usually speaks a language other than English; and

(ii) the pupil's score is significantly below the average district score for pupils of the same age on a nationally normed English reading or English language arts achievement test. A pupil's score shall be considered significantly below the average district score for pupils of the same age if it is one-third a standard deviation below that average score.

(b) "Essential instructional personnel" means the following for an English as a second language program:

(i) a teacher with an emergency exemption from a license requirement pursuant to subdivision 7, who is employed in the district's English as a second language program; and

(ii) any teacher licensed by the state, provided that the district assures the department that the teacher will obtain the inservice training the department considers necessary to enable the teacher to provide appropriate service to pupils of limited English proficiency.

(c) "Essential instructional personnel" means the following for a bilingual education program:

(i) A licensed teacher who demonstrates competency in the primary language of the pupil being served;

(ii) A person exempt from a licensure requirement for bilingual education pursuant to section 126.36, subdivision 5.

(d) "English as a second language program" means a program for the instruction of pupils of limited English proficiency in the following English language skills: reading, writing, listening and speaking.

(e) "Bilingual education" means an educational program in which instruction is given in both English and the primary language of the pupil of limited English proficiency to the extent necessary to allow the pupil to progress effectively through the educational system and to attain the basic English skills of reading, writing, listening and speaking so that the pupil will be able to perform ordinary classwork successfully in English.

Subd. 2. [AID AUTHORIZATION.] In the 1980-1981 school year the department of education shall reimburse a school district in an amount not exceeding 45 percent of the salaries paid to essential instructional personnel employed by the district in its English as a second language program or its bilingual education program for pupils of limited English proficiency. The department shall reimburse a district for no more than 45 percent of the salary of one full time equivalent teacher for each 50 pupils of limited English proficiency, or a pro rata amount thereof for fewer than 50 pupils. Notwithstanding the foregoing, the department shall pay an amount not exceeding 45 percent of the salary for one-third of a full time equivalent position for a district which has 15 or fewer pupils of limited English proficiency.

Subd. 3. [APPLICATIONS.] A district that wants to receive aid pursuant to this section for programs to serve pupils enrolled before the application deadline shall apply to the commissioner of education before September 15, 1980, in the manner prescribed by the commissioner. The application shall include the number of pupils to be served in the English as a second language program or the bilingual education program, the number of essential instructional personnel the district proposes to employ in its English as a second language program or its bilingual education program and any other information deemed necessary by the commissioner to implement this section. School districts may submit joint applications for aid pursuant to this section, and districts which have fewer than 50 pupils of limited English proficiency are encouraged to submit joint applications and to share essential instructional personnel for English as a second language programs or bilingual education programs. A district that wants to receive aid pursuant to this section for programs to serve pupils enrolled after the application deadline may apply to the commissioner of education at any time before the end of the school year in the manner prescribed by the commissioner.

Subd. 4. [NOTICE OF AID; PAYMENTS.] *The department shall inform each applicant district of the amount of aid it will receive pursuant to this section by October 15 for applications received before September 15, 1980, and it shall pay this aid by December 1. For districts submitting an application after September 15, 1980, the department shall inform the applicant district of the amount of aid it will receive pursuant to this section within a month after the application is submitted, and the department shall pay the aid within 15 days after notifying the district that it will receive aid.*

Subd. 5. [RECORDS; AUDITS.] *A district which applies for aid pursuant to this section shall maintain records which support the information contained in its application. The commissioner of education may audit the records upon request.*

Subd. 6. [NOTICE TO PARENTS.] *A district which enrolls a pupil in a program for which it receives reimbursement for the salaries of the essential licensed personnel for the program pursuant to this section shall inform the parent or guardian of a pupil enrolled in the English as a second language program or the bilingual education program that their child has been enrolled in that program and shall provide the parent or guardian with a nontechnical description of the purposes, method and content of the program. The notice shall be in writing and in both English and the primary language of the parent or guardian. The department of education shall, at the request of a school district, prepare the notice in the primary language of the parent or guardian.*

Subd. 7. [EXEMPTION FROM LICENSURE.] *A school board may be exempted from the licensure requirement in the hiring of an English as a second language teacher for the 1980-1981 school year if compliance would, in the opinion of the commissioner of education, create a hardship in the district in the securing of teachers. The commissioner shall notify the board of teaching of any exemptions granted pursuant to this subdivision.*

Subd. 8. [FUNDS FROM OTHER SOURCES.] *A school district providing bilingual education programs or English as a second language programs pursuant to this section shall be eligible to receive funds for these programs from other government agencies and from private sources when funds are available.*

Sec. 5. [DEPARTMENT OF EDUCATION STAFF COMPLEMENT.] *In order to carry out its duties pursuant to section 4 of this article, the department of education may add two professional positions and one clerical position with state funds. In addition, if the department receives funds for that purpose pursuant to Title IV of the Civil Rights Act of 1964 (P.L. 88-352), as amended, or Title VII of the Elementary and Secondary Education Act of 1965 (P.L. 89-10), as amended, the department may add two professional positions and one clerical position and pay the salaries for the positions from the federal funds.*

Sec. 6. *Minnesota Statutes 1978, Section 120.095, Subdivision 6, is amended to read:*

Subd. 6. The school census shall include an enumeration of children of limited English speaking ability residing within the district by primary language, ~~race and national origin~~. In making this census the school board shall seek the assistance and cooperation of agencies, organizations or community groups, public or private, which might have information about students of limited English speaking ability proficiency residing in the school district. As used in this subdivision, the following terms have the meanings given them:

(a) "Children of limited English speaking ability proficiency" means children whose primary language is other than English or who come from home environments where the primary language is other than English and by reason thereof, have difficulty reading, writing, speaking and understanding ordinary classroom instruction and have difficulty in performing ordinary classwork in the English language; and

(b) "Primary language" shall have the meanings ascribed to them in section 126.34 means a language other than English which is the language normally used by the child or the language which is spoken in the child's home environment.

Sec. 7. Minnesota Statutes 1978, Section 120.10, Subdivision 2, is amended to read:

Subd. 2. [SCHOOL.] A school, to satisfy the requirements of compulsory attendance, must be one: (1) in which all the common branches are taught in the English language, from textbooks written in the English language, and taught by teachers whose qualifications are essentially equivalent to the minimum standards for public school teachers of the same grades or subjects and (2) which is in session each school year for at least 175 days or their equivalent; provided that in a program of instruction for children of limited English speaking ability proficiency, instruction and textbooks may be in the primary language of the children of limited English speaking ability proficiency enrolled therein. Any other language may be taught as provided in section 126.07. As used in this subdivision, the terms "children of limited English speaking ability proficiency" and "primary language" shall have the meanings ascribed to them in section 126.34 5.

Sec. 8. Minnesota Statutes 1978, Section 126.07, is amended to read:

126.07 [INSTRUCTION. USE OF ENGLISH LANGUAGE.] The books used and the instruction given in public schools shall be in the English language, but any other language may be used by teachers in explaining to pupils who understand such language the meaning of English words; provided that in the case of a program for children of limited English speaking ability proficiency, instructions and books may be in the primary language of the children of limited English speaking ability proficiency. As used in this section, the terms "children of limited English speaking ability proficiency" and "primary language" shall have the meanings ascribed to them in section 126.34 4 of this article. In second-

ary and elementary schools other languages may be taught, when made a part of a regular or optional course of study.

Sec. 9. [POLICY AND PROCEDURES FOR MINIMIZING STUDENT CHEMICAL USE PROBLEMS.] *Subdivision 1. During the 1980-1981 school year each school board may develop a comprehensive policy and procedures to minimize chemical use problems among pupils in grades kindergarten through twelve.*

Subd. 2. To develop the policy and procedures required by subdivision 1, each school board may do the following:

(a) assess the magnitude of the chemical use problem as it affects pupils in the district in grades kindergarten through twelve;

(b) identify and evaluate existing policies and programs in the schools of the district for minimizing chemical use problems;

(c) assess the needs of pupils in grades kindergarten through twelve for additional chemical abuse prevention, intervention, and referral programs and for support programs for pupils who have or have had chemical abuse problems;

(d) define the role of the school in minimizing chemical use problems among pupils;

(e) identify public and private community resources available to assist the school in minimizing chemical use problems among pupils in the district;

(f) study the feasibility of cooperative efforts among the school district and public and private agencies, including law enforcement agencies, to minimize chemical use problems among pupils;

(g) examine research studies for assistance in formulating the policies and procedures required pursuant to subdivision 1;

(h) assess school district staff training needs for the program to minimize chemical use problems among pupils;

(i) evaluate the need for parent chemical abuse awareness programs;

(j) consult with health officials and providers of chemical use treatment and rehabilitation services; and

(k) take any other action the school board deems appropriate to develop the policy and procedures required by subdivision 1.

Subd. 3. The school board may appoint an advisory task force to assist the board in developing the policies and procedures required by subdivision 1.

Subd. 4. The department of education in cooperation with the department of welfare and the commissioner of health shall develop comprehensive community approaches to support school district efforts to reduce chemical use problems among pupils. The department of education shall provide technical assistance to school boards which request the assistance of the department in performing the duties imposed by this section.

Sec. 10. [INSERVICE TRAINING.] [CHEMICAL USE PROBLEMS.] *Subdivision 1. Each school district which submits a written plan describing the policies and procedures required by section 9 of this article to the department of education on or before February 1, 1981 shall be eligible to participate in an inservice training program for chemical use problems. The state shall pay the greater of \$1.00 per pupil in average daily membership, as defined in section 124.17, subdivision 2, or \$1,000 to each eligible school district for the inservice training of teachers, counselors, school nurses, school social workers and other school staff employed to work with pupils in chemical use problems.*

Subd. 2. The department of education shall advise eligible school districts on available options for inservice training of chemical use problems. The training shall assist teachers, counselors, school nurses, school social workers and other school staff employed to work with pupils in helping pupils who are experiencing or have experienced chemical use problems.

Subd. 3. The department of education shall provide technical assistance to a school board which requests the assistance of the department in performing the duties encouraged by this section.

Sec. 11. [STAFF COMPLEMENT.] *The department of education may increase its permanent staff complement by two professional positions for the purpose of providing the assistance in section 10, subdivision 3, of this article.*

Sec. 12. [OUT OF SCHOOL YOUTH PROGRAM.] *Subdivision 1. The state department of education shall develop recommendations to provide for a system for identifying and serving youth who have left the education system without appropriate societal, employability, and learning skills.*

Subd. 2. The state department of education shall identify problems and alternative potential solutions relating to locating out of school youth and service their educational and employability needs. A report, which includes both alternative solutions and recommendations for legislation, shall be submitted to the legislature by February 2, 1981.

The state department of education shall also develop a system for facilitating cooperative action between the education system and the employment and training system in jointly addressing the needs of out of school youth. Linkages shall be developed and improved with the CETA system, the juvenile justice system, and appropriate community services agencies.

Sec. 13. [REPEALER.] *Minnesota Statutes 1978, Sections 126.31; 126.32; 126.33; 126.34; 126.35; 126.37; 126.38; 126.39, Subdivisions 1, 2, 3, 4, 5, 6, 7 and 11; 126.40, Subdivisions 1 and 2; 126.41, Subdivisions 2, 3, 4, 5, 6, and 7; 126.42; 126.52, Subdivisions 1, 2, 3, 4, 6, and 7; and Minnesota Statutes, 1979 Supplement, Sections 126.39, Subdivision 10; 126.40, Subdivision 3; and 126.41, Subdivision 1; 126.52, Subdivision 10, are repealed.*

Sec. 14. [APPROPRIATIONS.] *Subdivision 1. There is appropriated from the general fund to the department of education*

the sums indicated in this section for the fiscal year ending June 30, 1981.

Subd. 2. [INDIAN SCHOLARSHIPS.] *For the Indian scholarships for college preparatory students pursuant to section 2 of this article, there is appropriated \$40,000. The appropriation in this subdivision is available until expended.*

Subd. 3. [AMERICAN INDIAN LANGUAGE AND CULTURE PROGRAMS.] *For the pilot programs authorized pursuant to section 3 of this article there is appropriated \$600,000.*

Subd. 4. [PROGRAMS FOR PUPILS OF LIMITED ENGLISH PROFICIENCY.] *For the programs authorized pursuant to section 4 of this article, there is appropriated \$3,700,000. Of this amount, \$87,000 may be used to increase the staff complement in the department of education authorized in section 5 of this article. If the appropriation amount in this subdivision is insufficient, the aid shall be prorated among all qualifying districts and the state shall not be obligated for any excess amount.*

Subd. 5. [CHEMICAL USE PROBLEMS; NEEDS ASSESSMENT AND INSERVICE TRAINING.] *For the programs authorized pursuant to sections 9, 10, and 11 of this article, there is appropriated \$1,000,000. Of this amount, \$100,000 is for the increase in the staff complement in the department of education authorized in section 11 of this article. If the appropriation amount in this subdivision is insufficient, the aid shall be prorated among all eligible districts and the state shall not be obligated for any excess amount.*

Subd. 6. [OUT OF SCHOOL YOUTH PROGRAMS.] *For the program authorized pursuant to section 12 of this article, there is appropriated \$33,000. Of this amount, \$3,000 is for statewide meetings and the establishment of a task force representing employment, training, education, juvenile justice, community service, parents and students.*

Subd. 7. [INDIAN EDUCATION.] *For certain Indian education programs there is appropriated \$399,600. The appropriation in this subdivision 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 shall be distributed as follows: \$125,000 to Independent School District No. 309, Pine Point school; provided that the commissioner of education receives a revised budget for the school on or before September 1, 1980; \$22,000 to Independent School District No. 166; \$35,000 to Independent School District No. 432; \$32,000 to Independent School District No. 435; \$96,000 to Independent School District No. 707; and \$89,600 to Independent School District No. 38. 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.*

Subd. 8. [HANDICAPPED ADULTS.] *The sum of \$75,000 is appropriated to the department of education for the council on*

quality education to fund programs designed for adults and handicapped adults. The appropriation in this subdivision shall be added to the amount appropriated for venture fund grants for fiscal year 1981 by Laws 1979, Chapter 334, Article VII, Section 8, Subdivision 2.

Subd. 9. None of the amounts appropriated in this section shall be expended for a purpose other than the purpose indicated.

Sec. 15. [EFFECTIVE DATE.] Section 14, Subdivision 8, of this article is effective the day following final enactment.

ARTICLE IV

OTHER AIDS AND LEVIES

Section 1. Minnesota Statutes 1978, Section 123.932, is amended by adding a subdivision to read:

Subd. 1e. "Individualized instructional materials" means educational materials which:

(a) Are designed primarily for individual pupil use in a particular class or program in the school the pupil regularly attends;

(b) Are secular, neutral, nonideological and not capable of diversion for religious use; and

(c) Are available and are of benefit to Minnesota public school pupils.

Subject to the requirements in clauses (a), (b) and (c), "individualized instructional materials" include the following if they do not fall within the definition of "textbook" in subdivision 1b: published materials; periodicals; documents; pamphlets; photographs; reproductions; pictorial or graphic works; film strips; prepared slides; prerecorded video programs; prerecorded tapes, cassettes and other sound recordings; manipulative materials; desk charts; games; study prints and pictures; desk maps; models; learning kits; blocks or cubes; flash cards; individualized multimedia systems; prepared instructional computer software programs and prerecorded film cartridges.

"Individualized instructional materials" do not include the following: chemicals; wall maps; wall charts; pencils, pens or crayons; notebooks; blackboards; chalk and erasers; duplicating fluids; paper; 16 mm films; unexposed films; blank tapes, cassettes or videotape and instructional equipment.

Sec. 2. Minnesota Statutes 1978, Section 123.933, is amended to read:

123.933 [PURCHASE OR LOAN OF TEXTBOOKS, INDIVIDUALIZED INSTRUCTIONAL MATERIALS, 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 pupils in a nonpublic school, the local districts

or intermediary service areas shall purchase or otherwise acquire textbooks, *individualized instructional materials* and standardized tests and loan or provide them for use by children enrolled in that nonpublic school. These textbooks, *individualized instructional materials* 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 textbooks, *individualized instructional materials* and standardized tests shall be subject to rules prescribed by the state board of education.

Subd. 2. The title to textbooks, *individualized instructional materials* 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 textbooks, *individualized instructional materials* or standardized tests are loaned or provided.

Subd. 3. (a) The cost per pupil of the textbooks, *individualized instructional materials* and standardized tests provided for in this section for each school year shall not exceed the statewide average expenditure per pupil by the Minnesota public elementary and secondary schools for textbooks, *individualized instructional materials* and standardized tests 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.

(b) *The cost computed in clause (a) shall be increased by an inflation adjustment equal to the percent of increase in the foundation aid per pupil unit, pursuant to section 124.212, from the second preceding school year to the current school year.*

(c) The commissioner shall allot to the school districts or intermediary service areas the total cost for each school year of providing or loaning the textbooks, *individualized instructional materials* and standardized tests for the pupils in each nonpublic school which . *The allotment shall not exceed the product of the statewide average expenditure per pupil , adjusted for inflation pursuant to clause (b) multiplied by the number of nonpublic school pupils who make requests pursuant to this section and who are enrolled as of September 15 of the current school year.*

Sec. 3. Minnesota Statutes, 1979 Supplement, 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 \$3,250,000 for the purposes of sections 123.931 to 123.937. If this amount is not sufficient to make the payments required pursuant to sections 123.931 to 123.937, the amount necessary to make these payments is appropriated from the general fund to the department of education. *The amounts appropriated pursuant to this section for the year ending June 30, 1980 shall not cancel and shall be available for the second year of the biennium.*

Sec. 4. Minnesota Statutes 1978, Chapter 123, is amended by adding a section to read:

[123.947] [RESTRICTIONS TO PREVENT IMPROPER USE OF INDIVIDUALIZED INSTRUCTIONAL MATERIALS.] (a) *The department of education shall assure that individualized instructional materials loaned to nonpublic school pupils are secular, neutral, nonideological and that they are incapable of diversion for religious use.*

(b) *Individualized instructional materials shall not be used in religious courses, devotional exercises, religious training or any other religious activity.*

(c) *Individualized instructional materials shall be loaned only to individual pupils upon the request of a parent or guardian or the pupil on a form designated for this use by the department of education. The request forms shall provide for verification by the parent or guardian or pupil that the requested individualized instructional materials are for the use of the individual pupil in connection with a program of instruction in the pupil's elementary or secondary school.*

(d) *The department of education or the servicing school district or the intermediate service area shall take adequate measures to ensure an accurate and periodic inventory of all individualized instructional materials loaned to elementary and secondary school pupils attending nonpublic schools. The state board of education shall promulgate rules under the provision of chapter 15 to terminate the eligibility of any nonpublic school pupil if the department or the servicing school district or intermediate service area determines, after notice and opportunity for hearing, that the individualized instructional materials have been used in a manner contrary to the provisions of section 1, 2 and 4 of this article or any rules promulgated by the state board of education.*

(e) *Nothing contained in section 1, 2 or 4 of this article shall be construed to authorize the making of any payments to a nonpublic school or its faculty, staff or administrators for religious worship or instruction or for any other purpose.*

Sec. 5. [SEVERABILITY.] *If any provision of section 1, 2 or 4 of this article, including the loan of any particular type of individualized instructional material shall be declared invalid, the holding shall not affect the validity of a remaining provision or the loan of any other type of individualized instructional material. If a provision of sections 1, 2 or 4 of this article is invalid in one or more of its applications to a person or circumstance, the validity of the application of the provision to another person or circumstance shall not be affected.*

Sec. 6. Minnesota Statutes, 1979 Supplement, Section 124.245, Subdivision 1, is amended to read:

124.245 [CAPITAL EXPENDITURE EQUALIZATION AID.] Subdivision 1. *The state shall pay a school district the difference by which an amount equal to \$80 \$90 per pupil unit in that school year or, in districts where the actual number of pupil units identified in section 124.17, subdivision 1, clauses (1) and (2), has increased from the prior year, \$85 \$95 per pupil unit in that school*

year, exceeds the amount raised by ~~ten seven~~ mills times the adjusted assessed valuation of the taxable property in the district for the preceding year. In order to qualify for aid pursuant to this section in any year, a district must have levied the full ~~ten seven~~ EARC mills for use for capital expenditures in that year pursuant to section 275.125, subdivision 11a.

Sec. 7. Minnesota Statutes, 1979 Supplement, Section 124.271, Subdivision 1a, is amended to read:

Subd. 1a. In fiscal year 1980, the state shall pay the greater of 75 cents per capita or \$5,000 to each school district which is operating a community school program in compliance with the rules promulgated by the state board and which has levied at least the lesser of \$1 per capita or the ~~maximum permissible certified levy for community services pursuant to section 275.125, subdivision 8, clause (1),~~ \$1 per capita reduced by any deduction to the community service levy made pursuant to section 275.125, subdivision 9, clause (2), for use in that year.

Sec. 8. Minnesota Statutes, 1979 Supplement, Section 124.271, Subdivision 2, is amended to read:

Subd. 2. In fiscal year 1981 and each year thereafter, the state shall pay the greater of 75 cents per capita or \$7,000 to each school district which is operating a community school program in compliance with the rules promulgated by the state board and which has levied at least the lesser of \$1 per capita or the ~~maximum permissible certified levy for community services pursuant to section 275.125, subdivision 8, clause (1),~~ \$1 per capita reduced by any deduction to the community service levy made pursuant to section 275.125, subdivision 9, clause (2), for use in that year.

Sec. 9. Minnesota Statutes 1978, Section 134.03, is amended to read:

134.03 [TAX LEVY.] *Subdivision 1.* In cities of less than 2000 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 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-third majority vote of the electors cast at any annual or special school meeting called for the purpose.

Subd. 2. Notwithstanding subdivision 1, if the library building of a library established pursuant to this section has been erected with funds acquired by gift or donation, a school board may, if authorized by the vote of a majority of all members of the school board and the vote of a majority of all members of the governing body of the city, transfer the responsibility for maintaining the library to the city.

Sec. 10. Minnesota Statutes, 1979 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 294.28 294.26; 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 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 subdivision 2a, to the total levy allowed the district under this section 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. The amount of any levy authorized by subdivision 7a shall not be reduced pursuant to this subdivision.

(4) Before computing the reduction pursuant to this subdivision of the capital expenditure levy authorized by subdivision 11a, and the community service levy authorized by subdivision 8, the commissioner shall ascertain from each affected school district the amount it proposes to levy for capital expenditures pursuant to that subdivision 11a and for community services pursuant to subdivision 8. The reduction of the capital expenditure levy and the community services 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 pursuant to sections 294.21 to 294.28 294.26; 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 amount on the designated date: on or before March 15 of each year, 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. 11. Minnesota Statutes, 1979 Supplement, Section 275.125, Subdivision 8, is amended to read:

Subd. 8. (1) In 1979, and each year thereafter, A district which has established a community school advisory council pursuant to section 121.88, may levy an amount of money raised by the greater of (A) \$2.50 per capita, or (B) *one hundred and ten percent* of the amount certified pursuant to this subdivision in 1976. These levies shall be used for community services including nonvocational adult programs, recreation and leisure time activity programs, and programs contemplated by sections 121.85 to 121.88. For purposes of computing the levy limitation pursuant to this subdivision, the amount certified pursuant to this subdivision in 1976 shall not reflect reductions pursuant to subdivision 9.

(2) A school district shall be authorized to make a levy pursuant to this subdivision only after it has filed a certificate of compliance with the commissioner of education. The certificate of compliance shall certify that the governing boards of the county, municipality and township in which the school district or any part thereof is located have been sent 15 working days written notice of a meeting and that a meeting has been held to discuss methods of increasing mutual cooperation between such bodies and the school board. The failure of a governing board of a county, municipality or township to attend the meeting shall not affect the authority of the school district to make a levy pursuant to this subdivision.

(3) The population of the district for purposes of this subdivision is the population determined as provided in section 275.14 or as certified by the department of education from the most recent federal census.

Sec. 12. Minnesota Statutes, 1979 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 \$80 \$90 per pupil unit or, in districts where the actual number of pupil units identified in section 124.17, subdivision 1, clauses (1) and (2), has increased from the prior year, \$85 \$95 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), and (5). No levy under this subdivision shall exceed *ten seven* 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, to pay leasing fees for computer systems hardware and related proprietary software, and to pay leasing fees for photocopy machines and telecommunications equipment. 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. *The proceeds of the tax may also be used to make capital improvements to schoolhouses to be leased pursuant to article VI, section 3.*

(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. 13. Minnesota Statutes 1978, Section 275.125, Subdivision 12, is amended to read:

Subd. 12. When a district finds it economically advantageous to rent or lease existing school buildings or other buildings for instructional purposes, and the proceeds of the levy permitted under section 124.04 or 275.125, subdivision 11a are insufficient for this purpose, it may apply to the commissioner for permission to make an additional capital expenditure levy for this purpose. An application for permission to levy under this clause shall contain financial justification for the proposed levy, the terms and conditions of the proposed lease, and a description of the space to be leased and its proposed use. The criteria for approval of applications to levy under this clause shall include: the reasonable-

ness of the price, the appropriateness of the space to the proposed activity, the feasibility of transporting pupils to the leased building, conformity of the lease to the laws and regulations of the state of Minnesota, and the appropriateness of the proposed lease to the space needs and the financial condition of the district. The commissioner shall not authorize a levy under this clause in an amount greater than the cost to the district of renting or leasing a school building for approved purposes. The proceeds of this levy shall not be used for custodial or other maintenance services.

Sec. 14. [EFFECTIVE DATE.] *Section 6 of this article is effective July 1, 1981. Section 3 of this article is effective the day following final enactment.*

ARTICLE V

VOCATIONAL EDUCATION

Section 1. Minnesota Statutes, 1979 Supplement, Section 124.11, Subdivision 2a, is amended to read:

Subd. 2a. Ninety percent of the estimated post-secondary vocational instructional aid shall be paid to each district in 12 equal monthly payments on the 15th of each month beginning in July 1980. A final payment of the remainder of the post-secondary vocational instructional aid for each fiscal year shall be made to each district in September of the following fiscal year. The September 1980 payment shall be adjusted to reflect any deficit or excess in post-secondary vocational foundation aid received by a district in fiscal year 1980. The September 1981 final payment *and the final September payment in each year thereafter* shall be adjusted to reflect the actual average daily membership for the previous fiscal year. The final payment in September 1982 and each year thereafter shall be adjusted to reflect the actual annual student count for the previous fiscal year. *For Beginning with the 1980-1981 school year, 90 percent of the estimated post-secondary vocational instructional aid shall be paid on the basis of the department of education's estimates of the current year's average daily membership adjusted in September, December, March and June to reflect any increases or decreases in enrollment. Beginning with the 1981-1982 school year, the estimated post-secondary vocational instructional aid shall be paid on the basis of the department of education's estimates of the current year's annual student count, adjusted in September, December, March and June to reflect any increases or decreases in enrollment, pursuant to section 124.5621, subdivision 11.*

Sec. 2. Minnesota Statutes, 1979 Supplement, Section 124.11, Subdivision 2b, is amended to read:

Subd. 2b. Post-secondary vocational supply aid, *and* support services aid and equipment aid shall be paid to districts in equal installments on or before August 1, ~~December~~ *November 1, March February 1, and June May 1* of each year. Additional post-secondary vocational supply aid, support services aid, and equipment aid may be distributed on or before March and June 1 of each year

if it is apportioned at a consolidated public hearing held before February 15 of that year in the manner specified in section 124.561, subdivision 3a. *Eighty percent of post-secondary vocational capital expenditure aid shall be paid to districts on or before August 1 of each year. The remaining 20 percent of post-secondary vocational capital expenditure aid shall be paid to districts on or before May 1 of each year.*

Sec. 3. Minnesota Statutes 1978, Section 124.11, is amended by adding a subdivision to read:

Subd. 2c. Additional post secondary vocational supply aid, support services aid and capital expenditure aid may be distributed on or before May 1 of each year if it is apportioned at a consolidated public hearing held before February 15 of that year pursuant to section 124.561, subdivision 3a.

Sec. 4. Minnesota Statutes, 1979 Supplement, Section 124.562, Subdivision 3, is amended to read:

Subd. 3. All funds, whether state, federal, or from other sources, which may be made available to the department of education for carrying out the purposes of post-secondary vocational-technical education shall be apportioned by the state board for vocational education to the various school districts in accordance with law and shall be distributed by the state aids, statistics and research section of the state department of education. State board approval shall not be required for the adjustment of average daily membership or for the adjustment of the annual student count, pursuant to section 124.11, subdivisions 2 and 2a.

Sec. 5. Minnesota Statutes, 1979 Supplement, Section 124.562, Subdivision 4, is amended to read:

Subd. 4. Each district providing post-secondary vocational-technical education programs shall establish and maintain accounts funds separate from all other district accounts for the receipt and disbursement of all funds monies related to these post-secondary vocational-technical education programs. All post-secondary vocational aids, all funds monies received pursuant to the levy authorized by section 275.125, subdivision 13 and all tuition authorized by section 124.565 shall be utilized solely for the purposes of post-secondary vocational-technical education programs.

Sec. 6. Minnesota Statutes, 1979 Supplement, Section 124.5621, Subdivision 11, is amended to read:

Subd. 11. (1) "Student growth or decline factor" for the 1980-1981 school year means the following ratio, adjusted according to clause (4) (2) :

(a) The current year's average daily membership as defined in section 124.562, subdivision 2, for a particular AVTI, divided by:

(b) The second prior year's average daily membership for that AVTI.

(2) Beginning in the 1970-1980 school year, each AVTI shall take a count of all full time equivalent students in attendance on the fifteenth day of each quarter that full time post secondary vocational programs are offered by that AVTI. These quarterly counts shall be totaled to produce an annual student count.

(3) Beginning in the 1981-1982 school year, "student growth or decline factor" means the following ratio, adjusted according to clause (4).

(a) The current year's annual student count for a particular AVTI, divided by

(b) The annual student count for the second prior year for that AVTI.

(4) (2) If the ratio in (1) or (3) is greater than .95 but less than 1.05, the ratio shall equal 1.0. If the ratio is .95 or less, the ratio shall be adjusted by adding .05. If the ratio is 1.05 or greater, the ratio shall be adjusted by subtracting .05.

Sec. 7. Minnesota Statutes, 1979 Supplement, Section 124.5621, is amended by adding a subdivision to read:

Subd. 13. The state board for vocational education shall promulgate rules pursuant to chapter 15 which specify appropriate minimum ratios of average daily membership to each full-time staff equivalent in each of the following subject area classifications: agriculture; distributive education; health; home economics; business and office; technical; and trade and industrial.

Sec. 8. Minnesota Statutes, 1979 Supplement, Section 124.5624, Subdivision 6, is amended to read:

Subd. 6. Before August 1, 1980 and before August 1 of each subsequent year, the commissioner shall issue a report on the capital expenditure aid allocation to each AVTI. This report shall include recommended aid allocations for each capital expenditure category and an explanation comparing the amount of the authorized capital expenditure aid allocation to the budget submitted for each AVTI. The fund balances used by the state board in determining the capital expenditure aid allocation shall be included.

Before August 1, 1980 and before August 1 of each subsequent year the commissioner shall also report on the equipment inventory of each AVTI, including original cost, amortization schedule and current value and estimated remaining useful life.

These reports shall be transmitted to the education committees of the legislature and to the directors of the AVTI's.

Sec. 9. Minnesota Statutes, 1979 Supplement, Section 124.5625, is amended to read:

124.5625 [POST-SECONDARY VOCATIONAL CONTINGENCY FUND.] There is established a post-secondary and adult vocational contingency fund. This fund shall be used for the start-up costs of new full time post-secondary vocational pro-

grams, including job training programs provided at the request of industry. This fund shall also be used for short term training of employees at the request of business and industry, when that training is specialized and not available from any other source. The commissioner state board for vocational education shall establish rules for the administration of this fund. The rules shall conform, where applicable, to the rules and procedures for the approval of new post-secondary and adult vocational programs.

Sec. 10. Minnesota Statutes 1978, Chapter 124, is amended by adding a section to read:

[124.5626] [ADULT NEW JOBS FUND.] *There is established a new jobs fund. This fund shall be used for the short term training of employees at the request of business and industry, when that training is specialized and not available from any other source. The state board for vocational education shall establish rules for the administration of this fund. The rules shall conform, where applicable, to the rules and procedures for the approval of new adult vocational programs.*

Sec. 11. Notwithstanding Laws 1979, Chapter 334, Article V, Section 31, the remaining funds in the appropriation for the contingency fund are immediately available to the department of education of which \$70,000 is for the short term training of employees at the request of business and industry, and at least \$130,000 is available for start-up costs of new full time post-secondary vocational programs.

Sec. 12. Minnesota Statutes, 1979 Supplement, Section 124.565, Subdivision 3, is amended to read:

Subd. 3. Tuition at a post-secondary vocational-technical school for a Minnesota resident pupil shall be \$128 per quarter for each quarter the pupil is enrolled, except that there shall be no charge for tuition for a person who, prior to July 1, 1978, entered active military service in a branch of the armed forces of the United States and who, under the laws in effect at the time of his induction into the armed forces would be eligible to attend a post-secondary vocational-technical school without payment of tuition. A full refund shall be provided to a student who withdraws on or before the 15th day of the quarter. No refund shall be provided for withdrawal after the 15th day of the quarter.

Sec. 13. Minnesota Statutes 1978, Section 124.565, is amended by adding a subdivision to read:

Subd. 7. *A veteran who is a Minnesota resident shall be exempt from the tuition required by subdivision 3 until the veteran has completed the lesser of (a) 360 post-secondary vocational technical school days, or the equivalent as determined by the state board for vocational education, or (b) one post-secondary vocational-technical school program which the veteran began after the effective date of this subdivision.*

"Veteran" for the purpose of this subdivision means a person who entered active military service in any branch of the armed

forces of the United States after July 1, 1961 and before July 1, 1978, was a Minnesota resident at the time of induction into the armed forces and for the six months immediately preceding induction, and has been separated or discharged from active military service under conditions other than dishonorable. This subdivision shall not apply to a veteran whose tuition is paid for by the comprehensive employment training act.

Sec. 14. [REPEALER.] *Laws 1979, Chapter 334, Article V, Section 32, Subdivision 9, is repealed.*

Sec. 15. [EFFECTIVE DATE.] *Section 11 of this article is effective the day following final enactment.*

ARTICLE VI MISCELLANEOUS

Section 1. Minnesota Statutes 1978, Section 121.912, is amended by adding a subdivision to read:

Subd. 3. For the purposes of this section, a permanent transfer includes creating a deficit in a nonoperating fund for a period past the end of the current fiscal year which is covered by monies in an operating fund.

Sec. 2. Minnesota Statutes, 1979 Supplement, Section 122.541, Subdivision 5, is amended to read:

Subd. 5. If compatible plans are not negotiated pursuant to subdivision 4 before the ~~June~~ March 1 preceding any year of the agreement permitted by subdivision 1, the cooperating districts shall be governed by the provisions of this subdivision. Insofar as possible, teachers who have acquired continuing contract rights and whose positions are discontinued as a result of the agreement shall be employed by a cooperating district or assigned to teach in a cooperating district as exchange teachers pursuant to section 125.13. If necessary, teachers whose positions are discontinued as a result of the agreement and who have acquired continuing contract rights shall be placed on unrequested leave of absence in fields in which they are licensed in the inverse order in which they were employed by a cooperating district, according to a combined seniority list of teachers in the cooperating districts.

Sec. 3. Minnesota Statutes 1978, Section 123.36, Subdivision 10, is amended to read:

Subd. 10. The board may lease a schoolhouse which is not needed for school purposes to any person or organization. The board may charge and collect reasonable consideration for the lease and may determine the terms and conditions of the lease. *The board may make capital improvements to a schoolhouse or a portion thereof, not exceeding in cost the replacement value of the schoolhouse, to facilitate its rental, and the lease of an improved schoolhouse shall provide for rentals which will recover the cost of the improvements over the initial term of the lease. The portion of the rentals representing the cost of the improvements shall be*

deposited in the special tax fund established for the proceeds of the tax levy authorized by section 275.125, subdivision 11a, and the balance of the rentals shall be used as provided in this subdivision. In districts with outstanding bonds, the net proceeds of the lease shall be used first pursuant to section 476.61, subdivision 3, to reduce the levy authorized for payments for bonds issued and for interest thereon pursuant to section 275.125, subdivision 4 deposited in the debt retirement fund of the district in an amount sufficient to meet when due the principal and interest payments for all outstanding bonds. Any remaining net proceeds in these districts and all net proceeds of the lease in districts without outstanding bonds shall be used to reduce the levy authorized for general and special school purposes by section 275.125, subdivision 2a deposited in the capital expenditure fund of the district.

Sec. 4. Minnesota Statutes 1978, Section 123.36, is amended by adding a subdivision to read:

Subd. 12. Proceeds of the sale or exchange of school buildings or real property of the school district shall be used as provided in this subdivision. In districts with outstanding bonds the proceeds of the sale or exchange shall first be deposited in the debt retirement fund of the district in an amount sufficient to meet when due the principal and interest payments for all outstanding bonds. Any remaining proceeds in these districts of the sale or exchange and all proceeds in districts without outstanding bonds shall be deposited in the capital expenditure fund of the district.

Sec. 5. Minnesota Statutes, 1979 Supplement, Section 125.61, subdivision 3a, is amended to read:

Subd. 3a. Notwithstanding the provisions of subdivision 3, an eligible teacher who wishes to retire at the end of the 1978-1979 or, 1979-1980 or 1980-1981 school year, who is employed by a school district which is implementing a desegregation plan ordered by a federal court or approved by the state board, and who is offered and accepts an early retirement incentive contract pursuant to subdivision 2, shall receive an early retirement incentive in the amount of \$15,000. This amount shall be reduced by \$750 for each year that a teacher is over the age of 55 years to a maximum age of 60 years and by an additional \$2,250 for each year that a teacher is over the age of 60 years. The age of the teacher shall be determined as of the June 30 in the school year during which the application for the early retirement incentive is made.

Sec. 6. Laws 1980, Chapter 345, Section 17, is amended to read:

Sec. 17. Nothing contained in sections 1 to 16 shall be construed as affecting the validity of a permanent license or certificate issued prior to August 1, ~~1979~~ 1980.

Sec. 7. Subdivision 1. Notwithstanding Minnesota Statutes, Section 121.912, Independent School District No. 119, Walker, may permanently transfer money from its general fund to its capital expenditure fund for the purpose of constructing a special education addition to the Walker elementary school. The amount of money which may be transferred shall not exceed the lesser of (a)

the amount necessary to pay for the construction of the special education facility or (b) \$550,000.

Subd. 2. This section is effective upon its approval by the board of Independent School District No. 119 and upon compliance with Minnesota Statutes, Section 645.021, Subdivision 3.

Sec. 8. Subdivision 1. Notwithstanding section 3 or 4 of this article or any other provisions of law to the contrary independent school district No. 283 may transfer up to \$500,000 of any unexpended balance in the debt retirement fund of the district, after a sufficient amount of monies has been deposited in the debt retirement fund of the district to meet when due the principal and interest payments for all outstanding obligations, to the capital expenditure fund of the district. This transfer authority is available until July 1, 1980.

Subd. 2. This section is effective upon its approval by the board of Independent School District No. 283 and upon compliance with Minnesota Statutes, Section 645.021, Subdivision 3.

Sec. 9. Subdivision 1. Notwithstanding Minnesota Statutes, Section 121.912, any school district located in Chisago county with an audited unappropriated general fund balance in excess of \$1,000,000 as of June 30, 1979, may permanently transfer up to one-half of that audited unappropriated fund balance from its general fund to its capital expenditure fund for the purpose of constructing a swimming pool facility; provided that the board of the district calls a special election pursuant to section 123.32, subdivision 22, requesting the approval of the voters of the district and that a majority of those voting approve the transfer and provided further that the board of the district complies with section 645.021, subdivision 3.

Subd. 2. This section is effective for an eligible school district upon compliance with section 645.021, subdivision 3.

Sec. 10. [FOUR DAY SCHOOL WEEK.] The state board of education, pursuant to section 120.65, shall establish a policy permitting districts requesting to operate the four day week to qualify for a flexible school year program. The policy of the board shall not apply to a school district located entirely within the seven county metropolitan area.

Sec. 11. Minnesota Statutes, 1979 Supplement, Section 465.72, is amended to read:

465.72 [SEVERANCE PAY.] Except as may otherwise be provided in Laws 1959, Chapter 690, as amended, all counties, cities, townships and school districts are hereby authorized and empowered to any county, city, township and school district may pay severance pay to all of its employees and to establish, prescribe and promulgate provisions, rules and regulations for the payment of such severance pay upon leaving to an employee who leaves employment prior to before the normal retirement date. Such The severance pay shall be excluded from retirement deductions and from any calculations in retirement benefits , and . It shall be paid

in a manner mutually agreeable to the employee and employer over a period not to exceed five years from termination of employment. In the event that if a terminated employee dies before all or a portion of the severance pay has been disbursed, that balance due shall be paid to a named beneficiary or, lacking same, to the deceased's estate. In no event shall severance pay provided for an employee except a teacher as defined in section 179.63, subdivision 13, leaving employment exceed an amount equivalent to 100 days pay. Severance pay for a teacher as defined in section 179.63, subdivision 13, shall not exceed an amount equal to one year of pay.

Sec. 12. Laws 1959, Chapter 690, Section 2, as amended by Laws 1963, Chapter 729, Section 1, Laws 1971, Chapter 599, Section 1, and Laws 1975, Chapter 261, Section 1, is amended to read:

Sec. 2. [ST. PAUL, CITY OF: INDEPENDENT SCHOOL DISTRICT NO. 625; EMPLOYEES SEVERANCE PAY.] The provisions, rules and regulations under any such ordinance for such payment of severance pay by said city, authorized under the foregoing provisions of section 1 hereof, shall be applicable to all employees of said city other than its elected city officials. Such severance pay shall be excluded from retirement deductions and from any calculations in retirement benefits, and shall be paid over a period not to exceed five years from termination of employment. The amount of such severance pay allowable or to become payable in respect of any such employment or to any such employee after December 31, 1978, shall not exceed \$4,000 an amount equivalent to one year of pay.

Sec. 13. Laws 1965, Chapter 705, as amended by Laws 1975, Chapter 261, Section 4, is amended to read:

Sec. 6. The school board, for the purpose of providing moneys for the payment of its severance pay obligations under a plan approved by resolution of the district, in addition to all other powers possessed by the school district and in addition to and in excess of any existing limitation upon the amount it is otherwise authorized by law to levy as taxes, is authorized to levy taxes annually not exceeding in any one year an amount equal to two-tenths of one mill upon each dollar of the assessed valuation thereof upon all taxable property within the school district which taxes as levied shall be spread upon the tax rolls, and all corrections thereof shall be held by the school district, and allocated therefor to be disbursed and expended by the school district in payment of any public school severance pay obligations and for no other purpose. Disbursements and expenditures previously authorized on behalf of the school district for payment of severance pay obligations shall not be deemed to constitute any part of the cost of the operation and maintenance of the school district within the meaning of any statutory limitation of any school district expenditures.

The amount of such severance pay allowable or to become pay-

able in respect of any such employment or to any such employee shall not exceed \$4,000 *an amount equivalent to one year of pay.*

Sec. 14. [REPEALER.] *Minnesota Statutes 1978, Sections 123.34, Subdivision 6 and 122.85, Subdivision 7, are repealed.*

Sec. 15. [EFFECTIVE DATE.] *Section 13 of this article is effective the day following final enactment.*

ARTICLE VII

STATEWIDE MANAGEMENT INFORMATION SYSTEM

Section 1. Minnesota Statutes, 1979 Supplement, Section 16.93, is amended to read:

16.93 [COMPUTERIZATION BY SCHOOL DISTRICTS.] Subdivision 1. [STATEWIDE EDUCATION MANAGEMENT INFORMATION SYSTEM.] [PURPOSE.] *The purposes of the statewide education management information system are:*

To provide consistent and comparable information for statewide education information needs in a manner which is economical and cost-effective;

To provide a computerized research capability for analysis of education information;

To assist school districts in the development and planning of education information systems which will meet school district management needs; and

To coordinate information, collection and processing in order to meet the management needs of school districts and the state of Minnesota.

Subd. 2. [STATEWIDE EDUCATION MANAGEMENT INFORMATION SYSTEM.] [POWERS AND DUTIES.] *The state board of education and the department of education may delegate any of their powers and duties pursuant to subdivision 3 which are necessary for the implementation of the statewide education management information system or for the technical support of the system to the Minnesota educational computing consortium. The development of policy and planning for the system and the monitoring of compliance with statewide systems and reporting standards shall be the responsibility of the state board of education and the department of education pursuant to section 4 of this article and shall not be delegable.*

Any duty or responsibility of the state board of education or the department of education required by section 1, 2, 3 or 4 of this article delegated before August 1, 1979 is repealed.

The commissioner of administration shall have no authority to review the decisions of the state board, the department of education or the Minnesota educational computing consortium made pursuant to sections 1, 2, 3 or 4.

Subd. 2 3. [SCHOOL DISTRICTS' PLANS AND BUDGETS.]

A school district may expend funds for computerization of administrative, instructional, or other activities only after a regional management information center of which the district is a member submits and obtains approval of an annual plan and budget on behalf of its member districts as provided in subdivision 3 4 . *A school district may utilize management information systems other than the statewide standard management information systems only after receiving approval by the state board of education of its alternative plan pursuant to section 4.* Every school district shall become a member of a regional management information center. Every district shall, in a *timely manner accordance with the timelines in the data acquisition calendar*, supply to the regional management information center of which it is a member the information required by the annual data acquisition calendar and the rules of the state board of education and the information specified in the data element dictionary.

Subd. 3 4 . [REGIONAL PLANS AND BUDGETS.] Any group of two or more school districts may with the approval of the state board of education create a regional management information center pursuant to section 471.59 to provide computer services to the member districts. No regional management information center may expend funds for computer activities unless it files an annual plan and budget for its activities with the department of education and receives approval of the plan and budget from the department of education. *Regional management information center budgets and financial reports shall be submitted in a common format defined by the state department of education for all regional management information centers and in conformance with the uniform financial accounting and reporting system. The format defined by the state department of education shall provide for cost accounting procedures to be utilized by the regional management information centers.* Criteria for approving the creation of a regional management information center and the plan and budget of a regional management information center shall include: the provisions of the state computing plan adopted by the state board of education; the cost effectiveness of the *regional management information center* and its plan and budget; the effect on existing regional management information centers; the ability of the *regional management information center* in a *timely manner accordance with the timelines in the data acquisition calendar* to provide information required by the annual data acquisition calendar or by the rules of the state board of education on computer tape which is machine readable using the software designed by the department of education; the ability of the *regional management information center* within 15 calendar days to respond to requests for information based on the data elements in the data element dictionary on computer tape which is machine readable using the software designed by the department of education; and the ability of the *regional management information center* to operate the uniform financial management accounting system using multi-dimensional accounts and records, as required by the uniform financial accounting and reporting standards for Minnesota school districts adopted by the state board pursuant to sections 121.90 to 121.92.

Every regional *management information center* shall make available to its member districts the opportunity to participate fully in the comprehensive financial reporting, personnel payroll reporting and student reporting *management information system systems* developed by the Minnesota educational computing consortium. A regional management information center which is not in existence on July 1, 1979 shall not come into existence until the first July 1 of an odd-numbered year after its creation is approved pursuant to this subdivision or until it can be accommodated by state appropriations, whichever occurs first. *Before July 1, 1981, every regional management information center shall develop a plan for the provision of services during a system failure or a disaster.*

Subd. 4 5 . [REGIONAL SUBSIDIES.] In any year when a regional management information center's plan and budget are approved pursuant to subdivision 3 4, the center shall receive a regional reporting subsidy grant from the department of education. The grant shall be in an amount determined in accordance with the formula filed by the department of education with the committees on education and finance of the senate and the committees on education and appropriations of the house of representatives.

For the fiscal year ending June 30, 1981, the formula may take into consideration the number of districts participating in a regional management information center as defined in section 3, subdivision 2, and the regional management information center services provided to districts using approved alternatives to the statewide standard management information systems.

Subd. 5 6 . [STATE BOARD OF EDUCATION DUTIES.] The state board of education shall adopt rules prescribing the criteria for approval of regional plans and budgets and of the creation of *regions regional management information centers*, and specifying the criteria and the process for determining which data and data elements are included in the data element dictionary and the data acquisition calendar developed pursuant to subdivisions 6 8 and 7 9 . *The state board shall also adopt any rules necessary for the implementation of section 4.* To the extent permitted by available resources, the commissioner of administration may furnish staff and other assistance to the department of education and the Minnesota educational computing consortium in conjunction with their performance of the duties imposed by this section.

Subd. 7. [ALTERNATIVE FORMS OF PARTICIPATION IN THE COMPUTERIZED REPORTING SYSTEM.] *A school district shall use the statewide standard management information systems or an alternative method of participation approved by the state board of education pursuant to section 4. Any alternative system shall provide data to the regional management information center which conforms to the statewide systems and reporting standards. Criteria for approval shall be established by the department of education pursuant to section 4. A district proposal for an alternative method of participation shall include any costs to the district, regional management information center, or state for soft-*

ware development or operational services needed to provide standardized data to the regional management information center.

A district shall submit its proposal for an alternative system to the regional management information center board for evaluation. The regional management information center shall use the criteria for approval of alternative systems established by the department of education to evaluate the district proposal.

The regional management information center in a timely manner shall submit the district proposal and the regional management information center's evaluation of that proposal to the state board of education for approval or denial of the proposal.

Any delivery system, including manual reporting to the regional management information center, which meets the statewide standards may be submitted as an alternative. Upon approval of the state board of education, state or regional management information center funds may be used for software, software development, or operational services needed to assist districts in meeting the statewide systems and reporting standards. The state and region shall not fund any software, software development or operational services needed to meet needs which are unique to a particular school district.

Subd. 6 8. [DATA ELEMENT DICTIONARY.] By January 1, 1980, the department of education shall develop a data element dictionary defining all data elements included in the financial reporting, personnel payroll and student reporting information system of the department of education. Except as provided in subdivision 5 6, the development and modification of the data element dictionary shall be exempt from the rule-making procedures specified in chapter 15.

Subd. 7 9 . [DATA ACQUISITION CALENDAR.] By January 1, 1980, the department of education shall develop an annual data acquisition calendar specifying the reports which school districts are required to submit to the *regional management information center or the department of education* and the dates when these reports are due. Except as provided in subdivision 5 6, the development and modification of the annual data acquisition calendar shall be exempt from the rule-making procedures specified in chapter 15.

Sec. 2. Minnesota Statutes 1978, Section 121.90, is amended to read:

121.90 [DEFINITIONS.] *Subdivision 1. "Receivables", "liabilities", "fund balances", "revenues" and "expenditures" have the meanings specified in the uniform financial accounting and reporting system for Minnesota school districts unless otherwise provided by law.*

Subd. 2. *For the purposes of sections 1, 2, 3 and 4, "district" means a school district, an educational cooperative service unit, a cooperative center for vocational education, a cooperative center for special education, an area vocational technical institute, or an intermediate service area.*

Sec. 3. Minnesota Statutes, 1979 Supplement, Section 121.92, Subdivision 2, is amended to read:

Subd. 2. (1) After July 1, 1980, participation in a computer based financial management accounting and reporting system *meeting the statewide systems and reporting standards* shall be mandatory. The form of this participation shall be determined as provided in section 16.93.

(2) *For the purposes of this section and of section 16.93, "participation" means providing data to the regional management information center which conform to statewide systems and reporting standards and timelines.*

(3a) *A district may submit a proposal to meet the July 1, 1980 date for mandatory participation through the use of a microcomputer delivery system alternative based on the council on quality education project no. 79-062-02 microcomputer finance system.*

(3b) *A district with not more than 1,500 pupils in average daily membership as defined in section 124.17, subdivision 2, may submit a proposal to meet the July 1, 1980 date for mandatory participation through the use of a manual reporting delivery system alternative.*

(3c) *A proposal for an alternative form of participation in (3a) or (3b) shall be submitted to the regional management center prior to May 15, 1980. The regional management information center shall forward the proposal submitted and the evaluation of the proposal to the state board of education prior to June 1, 1980. Approval or denial of an alternative form of participation proposed pursuant to (3a) or (3b) shall be completed prior to July 1, 1980.*

(4) *Delivery system alternatives other than those in (3a) and (3b) may be submitted to the regional management information center and state board of education after July 1, 1980 but are not permitted alternatives for compliance with the July 1, 1980 date for mandatory participation. A district is not exempt from meeting the requirement for mandatory participation while an alternative proposal is being evaluated by the regional management information center or the state board of education.*

Sec. 4. Minnesota Statutes 1978, Chapter 121, is amended by adding a section to read:

[121.93] [STATEWIDE EDUCATION MANAGEMENT INFORMATION SYSTEM.] *Subdivision 1. The department of education shall develop the policies and planning for the statewide education management information system.*

Subd. 2. *The department of education shall develop a long-range plan for the development and implementation of the statewide education management information system. The plan shall include procedures for determining the need to develop alternative statewide standard management information systems to keep pace with changing technology. A progress report on the plan shall be presented to the legislature no later than February 1, 1981. The plan shall*

be completed by June 30, 1981 and shall be revised before each biennial legislative session.

Subd. 3. The department of education shall provide for the development of statewide standard microcomputer based management information systems and training on those systems. The department of education shall report progress on development of these systems to the legislature before February 1, 1981.

Subd. 4. The state board of education shall adopt rules pursuant to chapter 15 for the criteria and standards to be used in evaluating district proposed alternatives to the statewide standard management information systems required pursuant to section 16.911. These criteria shall include considerations of economy and cost effectiveness for the district, regional management information center, and state. These criteria shall also include the ability of a system to provide data which conforms to the statewide systems and reporting standards. A district shall not operate an alternative system without the approval of the state board of education. The department of education shall report to the legislature before February 1, 1981, on the criteria and standards adopted.

Subd. 5. The department of education shall monitor the development of software for the statewide education management information system and the development of alternative systems approved by the state board of education to enforce compliance with the statewide systems and reporting standards. The department of education shall report to the legislature before February 1, 1981, on the status of districts which have received approval to operate alternative systems.

Subd. 6. The state board of education shall adopt rules to provide for cost accounting procedures to be used in the regional management information center budget and financial report formats. These cost accounting procedures shall detail the amounts expended for each of the statewide standard management information systems and any approved alternative systems, for each district served by the regional management information center. The department shall report to the legislature before February 1, 1981, on the cost of accounting procedures adopted and progress on their implementation. The department shall also report on expenditures attributable to each of the systems which comprise the statewide education management information system.

Subd. 7. The state board of education shall adopt rules pursuant to chapter 15 for the standardized reporting of student and personnel data. The state board of education shall consider the final recommendations of the advisory task forces on uniform standards for student reporting and personnel reporting promulgating permanent rules. The department of education shall halt major systems development and modification of the statewide standard payroll/personnel system and the statewide standard student support system until these rules have been adopted.

Sec. 5. Minnesota Statutes 1978, Chapter 121, is amended by adding a section to read:

[121.931] [STUDENT AND PERSONNEL REPORTING STANDARDS.] [ADVISORY TASK FORCES.] *Subdivision 1. There are created two advisory task forces, one on uniform standards for student reporting and one on uniform standards for personnel reporting, each composed of nine members as follows:*

(1) *one employee of the state department of education appointed by the commissioner of education;*

(2) *one representative of the Minnesota educational computing consortium appointed by the MECC board;*

(3) *one representative from the regional management information centers appointed by the state board of education;*

(4) *three persons who are representatives of the various size school districts in the state and who are public school employees whose positions involve activities related to student reporting or personnel reporting appointed by the state board of education;*

(5) *one person representing the office of the governor appointed by the governor to serve ex officio;*

(6) *one person representing the education committee of the senate appointed by the chairman to serve ex officio;*

(7) *one person representing the education committee of the house of representatives appointed by the chairman to serve ex officio.*

Subd. 2. Each task force shall report to the legislature, by January 1, 1981, recommendations for broad policy standards for school district reporting of student data or personnel data. Each task force shall recommend to the state board of education specific statewide systems and reporting standards for student data or personnel data.

Subd. 3. The task forces shall expire and the terms, compensation and removal of members shall be as provided in section 15.059.

Sec. 6. The department of education may add four professional employees and two clerical employees to its approved complement for the purpose of section 4.

Sec. 7. [APPROPRIATIONS.] There is appropriated from the general fund to the department of education the sum of \$220,000 for the purposes of this article. Of this amount \$100,000 is available to hire consultants on management information systems to assist the department in complying with this article and \$120,000 is available for the development microcomputer software to conform with the ESV-FIN system. This appropriation is available until June 30, 1981. The commissioner of education with the approval of the commissioner of finance may transfer \$200,000 for the increased staff complement in section 6. All transfers shall be reported forthwith to the committee on finance of the senate and the committee on appropriations of the house of representatives. This transfer authority shall be available until June 30, 1981.

Sec. 8. [EFFECTIVE DATE.] This article is effective the day following final enactment."

Delete 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 duties and powers to school boards, school districts, the state board of education, and others; modifying certain responsibilities of the Minnesota educational computing consortium; modifying the method for districts to qualify for certain levies; changing the method of computing transportation aid and post-secondary vocational aid; changing the school age for certain handicapped children; providing an aid for individualized instructional materials; establishing certain programs; increasing the amount of severance pay available to public employees; appropriating money; amending Minnesota Statutes 1978, Sections 120.095, Subdivision 6; 120.10, Subdivision 2; 120.17, Subdivision 1; 121.90; 121.912, by adding a subdivision; 123.36, Subdivision 10 and by adding a subdivision; 123.932, by adding a subdivision; 123.933; 124.11, by adding a subdivision; 124.214, Subdivision 2; 124.48; 124.565, by adding a subdivision; 126.07; 134.03; 275.125, Subdivisions 5, 5a and 12; Chapters 121, by adding sections; 123, by adding a section; and 124, by adding a section; Minnesota Statutes, 1979 Supplement, Sections 16.93; 121.92, Subdivision 2; 122.541, Subdivision 5; 123.937; 124.11, Subdivisions 2a and 2b; 124.223; 124.224, Subdivision 8; 124.225; 124.245, Subdivision 1; 124.271, Subdivisions 1a and 2; 124.562, Subdivisions 3 and 4; 124.5621, Subdivision 11, and by adding a subdivision; 124.5624, Subdivision 6; 124.5625; 124.565, Subdivision 3; 125.61, Subdivision 3a; 126.54, Subdivision 1; 275.125, Subdivisions 7a, 8, 9, and 11a; 465.72; Laws 1959, Chapter 690, Section 2, as amended; Laws 1965, Chapter 705, as amended; Laws 1979, Chapter 334, Article 2, Section 15, Subdivisions 2 and 3; Laws 1980, Chapter 345, Section 17; repealing Minnesota Statutes 1978, Sections 122.85, Subdivision 7; 123.34, Subdivision 6; 126.31; 126.32; 126.33; 126.34; 126.35; 126.37; 126.38; 126.39, Subdivisions 1, 2, 3, 4, 5, 6, 7 and 11; 126.40, Subdivisions 1 and 2; 126.41, Subdivisions 2, 3, 4, 5, 6, and 7; 126.42; 126.52, Subdivisions 1, 2, 3, 4, 6, and 7; Minnesota Statutes, 1979 Supplement, Sections 124.222, Subdivision 3; 126.39, Subdivision 10; 126.40, Subdivision 3; and 126.41, Subdivision 1; 126.52, Subdivision 10; Laws 1979, Chapter 334, Article V, Section 32, Subdivision 9."

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

SECOND READING OF SENATE BILLS

S. F. Nos. 1340 and 1940 were read the second time and referred to the Subcommittee on Bill Scheduling of the Committee on Rules and Administration.

SECOND READING OF HOUSE BILLS

H. F. No. 1781 was read the second time and referred to the Subcommittee on Bill Scheduling of the Committee on Rules and Administration.

MOTIONS AND RESOLUTIONS—CONTINUED

Mr. Coleman moved that S. F. No. 121 be withdrawn from the Committee on Rules and Administration and re-referred to the Committee on Judiciary. The motion prevailed.

Mr. Coleman moved that the Senate do now adjourn until 1:00 o'clock p.m., Friday, March 21, 1980. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate