

FIFTY-SIXTH DAY

St. Paul, Minnesota, Saturday, May 16, 1981

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

CALL OF THE SENATE

Mr. Moe, R. D. imposed a call of the Senate. 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:

Ashbach	Dieterich	Kronebusch	Peterson, C.C.	Spear
Bang	Engler	Langseth	Peterson, D.L.	Stern
Belanger	Frank	Lantry	Peterson, R.W.	Stokowski
Benson	Frederick	Lessard	Petty	Stumpf
Berg	Frederickson	Lindgren	Pillsbury	Taylor
Berglin	Hanson	Luther	Purfeerst	Tennessen
Bernhagen	Hughes	Menning	Ramstad	Ulland
Bertram	Humphrey	Merriam	Renneke	Vega
Brataas	Johnson	Moe, D.M.	Rued	Waldorf
Chmielewski	Kamrath	Moe, R.D.	Schmitz	Wegener
Dahl	Keefe	Nelson	Setzepfandt	Willet
Davies	Knoll	Olhoft	Sieloff	
Davis	Knutson	Pehler	Sikorski	
Dicklich	Kroening	Penny	Solon	

The President declared a quorum present.

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

MEMBERS EXCUSED

Mr. Pehler was excused from the Session of today from 9:00 to 9:40 a.m. Ms. Berglin was excused from the Session of today from 9:00 to 9:45 a.m. Mr. Knoll was excused from the Session of today from 9:00 to 10:00 a.m.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Pehler moved that the following members be excused for a Conference Committee on H. F. No. 1445 at 9:00 a.m.:

Messrs. Johnson; Hanson; Peterson, C.C.; Pehler and Ms. Berglin. The motion prevailed.

Pursuant to Rule 21, Mr. Nelson moved that the following members be excused for a Conference Committee on H. F. No. 1474 at 10:00 a.m.:

Messrs. Nelson, Willet, Penny, Stumpf and Keefe. The motion prevailed.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communication was received and referred to the committee indicated.

May 4, 1981

The Honorable Jack Davies
President of the Senate

Dear Sir:

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

Lucinda L. Hruska-Claeys, 7626 Bloomington Avenue South, Richfield, Hennepin County, has been appointed by me, effective May 4, 1981, for a term expiring the first Monday in January, 1984.

Michael Naylor, Route 1, Backus, Cass County, has been appointed by me, effective May 4, 1981, for a term expiring the first Monday in January, 1985.

(Referred to the Committee on Agriculture and Natural Resources.)

Sincerely yours,

Albert H. Quie, Governor

May 15, 1981

The Honorable Jack Davies
President of the Senate

Dear Sir:

I have the honor of informing you that I have received, approved, signed and deposited in the Office of the Secretary of State, S. F. Nos. 805, 145, 835, 159, 209, 399, 558, 215, 876 and 1087.

Sincerely yours,

Albert H. Quie, Governor

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. 533, 674 and 649.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 15, 1981

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. 830: A bill for an act relating to creditor's remedies; providing for an increase in the amount of household goods exemption; amending Minnesota Statutes 1980, Section 550.37, Subdivision 4.

Senate File No. 830 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 15, 1981

CONCURRENCE AND REPASSAGE

Mr. Davies moved that the Senate concur in the amendments by the House to S. F. No. 830 and that the bill be placed on its repassage as amended. The motion prevailed.

S. F. No. 830 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 47 and nays 1, as follows:

Those who voted in the affirmative were:

Ashbach	Davis	Langseth	Penny	Solon
Belanger	Dicklich	Lantry	Peterson, D. L.	Stokowski
Benson	Dieterich	Lessard	Peterson, R. W.	Stumpf
Berg	Engler	Lindgren	Petty	Taylor
Bernhagen	Frank	Luther	Purfeerst	Vega
Bertram	Frederick	Menning	Ramstad	Waldorf
Brataas	Frederickson	Moe, D. M.	Renneke	Wegener
Chmielewski	Kamrath	Moe, R. D.	Rued	
Dahl	Kroening	Nelson	Schmitz	
Davies	Kronebusch	Olhoft	Setzepfandt	

Mr. Willet voted in the negative.

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

MESSAGES FROM THE HOUSE -CONTINUED

Mr. President:

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

S. F. No. 890: A bill for an act relating to wild animals; increasing the amount of the reward which may be paid for information relating to game law violations; amending Minnesota Statutes 1980, Section 97.51.

Senate File No. 890 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 15, 1981

CONCURRENCE AND REPASSAGE

Mr. Bernhagen moved that the Senate concur in the amendments by the House to S. F. No. 890 and that the bill be placed on its repassage as amended. The motion prevailed.

S. F. No. 890 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 49 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Davis	Kronebusch	Olhoft	Setzepfandt
Belanger	Dicklich	Langseth	Penny	Solon
Benson	Dieterich	Lantry	Peterson, D. L.	Stokowski
Berg	Engler	Lessard	Peterson, R. W.	Stumpf
Bernhagen	Frank	Lindgren	Petty	Taylor
Bertram	Frederick	Luther	Purfeerst	Vega
Brataas	Frederickson	Menning	Ramstad	Waldorf
Chmielewski	Humphrey	Moe, D. M.	Renneke	Wegener
Dahl	Kamrath	Moe, R. D.	Rued	Willet
Davies	Kroening	Nelson	Schmitz	

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

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

S. F. No. 34: A bill for an act relating to public welfare; allowing the commissioner of public welfare to grant a variance related to certain license holders whose licenses have been previously revoked; amending Minnesota Statutes 1980, Section 245.801, Subdivision 6.

Senate File No. 34 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 15, 1981

CONCURRENCE AND REPASSAGE

Mr. Chmielewski moved that the Senate concur in the amendments by the House to S. F. No. 34 and that the bill be placed on its repassage as amended. The motion prevailed.

S. F. No. 34 was read the third time, as amended by the House, and placed on its repassage.

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

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

Those who voted in the affirmative were:

Ashbach	Dicklich	Langseth	Peterson, D. L.	Stumpf
Belanger	Dieterich	Lantry	Peterson, R. W.	Taylor
Benson	Engler	Lessard	Petty	Ulland
Berg	Frank	Lindgren	Purfeerst	Vega
Bernhagen	Frederick	Luther	Ramstad	Waldorf
Bertram	Frederickson	Menning	Renneke	Wegener
Brataas	Hughes	Moe, D. M.	Rued	Willet
Chmielewski	Humphrey	Moe, R. D.	Schmitz	
Dahl	Kamrath	Olhoft	Setzepfandt	
Davies	Kroening	Pehler	Solon	
Davis	Kronebusch	Penny	Stokowski	

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 1434 and

repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 1434 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 15, 1981

CALL OF THE SENATE

Mr. Renneke imposed a call of the Senate for the proceedings on H. F. No. 1434. The Sergeant at Arms was instructed to bring in the absent members.

CONFERENCE COMMITTEE REPORT ON H. F. NO. 1434

A bill for an act relating to the organization and operation of state government; appropriating money for the department of transportation and for other agencies with certain conditions; amending Minnesota Statutes 1980, Sections 12.14; 43.491, Subdivision 2; 46.131, Subdivision 3; 161.242, Subdivision 4; 169.451; 173.25; 174.255, by adding a subdivision; 216B.62, Subdivision 3, and by adding a subdivision; 237.295, Subdivision 2, and by adding a subdivision; 239.10; 239.52; 326.241, Subdivision 3; 326.244, Subdivision 2; 340.11, Subdivision 14; 340.113, Subdivision 2; 340.119, Subdivision 3; 340.402; 340.493, Subdivision 2; 340.62; 360.021, Subdivisions 1 and 2; 360.305, by adding subdivisions; 388.14; 388.19, Subdivision 1; and 414.051; proposing new law coded in Minnesota Statutes, Chapter 138.

May 14, 1981

The Honorable Harry A. Sieben, Jr.
Speaker of the House of Representatives

The Honorable Jack Davies
President of the Senate

We, the undersigned conferees for H. F. No. 1434, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H.F. No. 1434 be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [TRANSPORTATION AND OTHER AGENCIES; APPROPRIATIONS.] The sums set forth in the columns designated "APPROPRIATIONS" are appropriated from the general fund, or any other fund designated, to the agencies and for the purposes specified in the following sections of this act, to be available for the fiscal years indicated for each purpose. The figures "1981", "1982", and "1983", wherever used in this act, mean that the appropriation or appropriations listed thereunder are available for the year ending June 30, 1981, June 30, 1982, or June 30, 1983, respectively.

SUMMARY BY FUND

(Net after transfers)

	1981	1982	1983	TOTAL
General	\$75,000	\$37,793,800	\$37,615,700	\$75,484,500
Airports		10,319,300	9,956,300	20,275,600
M.S.A.S.		35,208,600	35,280,900	70,489,500
C.S.A.H.		107,291,200	107,524,900	214,816,100
Tr. Hwy.		337,171,700	341,119,500	678,291,200
Hwy. User		6,077,500	6,129,200	12,206,700

	1981	1982	1983	TOTAL
Special Revenue Fund		157,900	167,500	325,400
TOTAL	\$75,000	\$534,020,000	\$537,794,000	\$1,071,889,000

APPROPRIATIONS
Available for the Year
Ending June 30
1982 1983

Sec. 2. TRANSPORTATION

Subdivision 1. Total Department
Appropriation \$455,727,400 \$458,297,700

Approved Complement -	4313
Trunk Highway -	4309
Federal -	4

The approved complement in this section as adjusted pursuant to subdivisions 8, 9, or 10 of this section shall be in effect on January 1, 1982.

The appropriations in this section are from the trunk highway fund, except where another fund is designated.

Of this appropriation, \$1,000,000 the first year is from the general fund; \$10,284,900 the first year and \$9,919,000 the second year is from the state airports fund; \$35,208,600 the first year and \$35,280,900 the second year is from the municipal state aid street fund; \$107,291,200 the first year and \$107,524,900 the second year is from the county state aid highway fund; \$301,942,700 the first year and \$305,572,900 the second year is from the trunk highway fund.

Subd. 2. Planning	2,672,600	2,690,200
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Of this amount \$175,000 each year is available for grants to regional development commissions outside the seven county metropolitan area for transportation studies to identify critical concerns, problems and issues.

Subd. 3. Highway Operations	406,624,000	409,935,500
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The amounts that may be expended from this appropriation for each activity are as follows:

Highway Maintenance	\$ 85,182,500	\$ 87,537,000
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Maintenance Preservation	\$ 7,500,000	\$ 7,500,000
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District Construction Support	\$ 23,033,200	\$ 23,094,500
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Highway Improvement	\$138,000,000	\$139,000,000
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This appropriation is for the actual construction,

	1982	1983
	\$	\$

reconstruction, and improvement of trunk highways. This includes the cost of actual payment to land owners for lands acquired for highway right of way, payment to lessees, interest subsidies, and relocation expenses.

County State Aids

\$107,291,200	\$107,524,900
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This appropriation is from the county state-aid highway fund and is available until expended.

Municipal State Aids

\$ 35,208,600	\$ 35,280,900
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This appropriation is from the municipal state-aid street fund and is available until expended.

If an appropriation for either county state aids or municipal state aids is insufficient to exhaust the balance in the fund from which it is made in the year for which it is made, the commissioner of finance, upon request of the commissioner of transportation, shall notify the committee on finance of the senate and the committee on appropriations of the house of representatives of the amount of the remainder and shall then add that amount to the appropriation. The amount added is appropriated for the purposes of county state aids or municipal state aids, as appropriate.

Highway Debt Service

\$ 10,408,500	\$ 9,998,200
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For transfer to the state bond fund:

If this appropriation is insufficient to make all transfers required in the year for which it is made, the commissioner of finance shall notify the committee on finance of the senate and the committee on appropriations of the house of representatives of the amount of the deficiency and shall then transfer that amount pursuant to the statutory open appropriation.

Subd. 4. Public

Transportation	2,474,400	1,487,800
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The amounts that may be expended from this appropriation for each activity are as follows:

(a) Transportation Rates and Regulation

\$ 539,000	\$ 546,100
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(b) Transit Administration

\$ 352,000	\$ 354,500
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The appropriation made by Laws 1979, Extra Session, Chapter 1, Section 4, for development of operating standards for vehicles providing

	1982	1983
	\$	\$
special transportation service and of procedures for enforcing the standards shall be available until June 30, 1983.		

(c) Railroad Administration

\$ 583,400	\$ 587,200
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(d) Rail Service Improvement Grants

\$ 1,000,000	
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This appropriation is from the general fund for transfer to the rail service improvement account.

This appropriation shall be used to maximize the use of federal money.

(e) AMTRAK operations for the Northstar line between Minneapolis-St. Paul and Duluth

\$ 75,000	
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This appropriation may be used to satisfy any deficit and may be expended only if funds from any municipality or other sources are so appropriated or otherwise received. This appropriation shall be used to match on a 50-50 basis the amount received from the other sources. These funds shall be available immediately.

Subd. 5. Aeronautics Operations	11,654,200	11,204,600
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The amounts that may be expended from this appropriation for each activity are as follows:

Aeronautics Operations

\$ 369,900	\$ 373,300
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The commissioner shall not require the registration of personal use airports except for those within five miles of a public airport, whether privately or publicly owned.

Aeronautics Development and Assistance

\$10,696,900	\$10,722,200
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\$7,293,300 the first year and \$7,233,500 the second year is for airport construction grants.

\$1,105,500 the first year and \$1,211,700 the second year is for airport maintenance grants.

\$1,040,300 the first year and \$1,066,300 the second year is for navigational aids.

The appropriations for construction grants, maintenance grants, and navigational aids are from the state airports fund. If the appropriation for either year is insufficient, the appropriation for the other year is available for it. These appropriations shall be expended only for grant-in-aid programs for airports that are not state owned.

	1982	1983
\$		\$

These appropriations are to be expended in accordance with Minnesota Statutes, Section 360.305, Subdivision 4, Clauses (1), (2), (4) and (5).

The commissioner of transportation may transfer unencumbered balances among these appropriations with the approval of the governor after consultation with the legislative advisory commission.

\$350,000 the first year and \$400,000 the second year is from the state airports fund to increase the capitalization of the hangar revolving account from \$2,800,000 to \$3,150,000 in the first year and \$3,550,000 in the second year.

\$17,500 the first year and \$7,500 the second year is from the state airports fund for maintenance of the Pine Creek Airport.

Air Transportation Services

\$ 109,100	\$ 109,100
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The commissioner of transportation shall expend no money for pilot uniforms.

Aeronautics Debt Service

\$ 478,300

This appropriation is from the state airports fund for transfer to the state bond fund.

If this appropriation is insufficient to make all transfers required in the year for which it is made, the commissioner of finance shall notify the committee on finance of the senate and the committee on appropriations of the house of representatives of the amount of the deficiency and shall then transfer that amount pursuant to the statutory open appropriation.

Subd. 6. Technical Services	17,768,100	18,076,800
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The amounts that may be expended from this appropriation for each activity are as follows:

Engineering Services

\$10,284,800	\$10,512,200
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Engineering Development

\$ 5,195,700	\$ 5,257,000
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\$75,000 the first year and \$75,000 the second year is for a transportation research contingent account to finance research projects that are reimbursable from the federal government or from other sources. Expenditures from this account are subject to the approval of the commissioner

	1982	1983
	\$	\$

of finance. Reimbursements shall be deposited in the trunk highway fund. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

State Aid Technical Assistance
 \$ 319,600 \$ 321,000

The variance committee shall be continued at the fiscal year 1981 level.

Electronic Communications
 \$ 1,326,400 \$ 1,342,100

Environmental Services
 \$ 641,600 \$ 644,500

Subd. 7. General Support	14,534,100	14,902,800
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The amounts that may be expended from this appropriation for each activity are as follows:

Finance and Administration
 \$ 6,255,900 \$ 6,345,200

Equipment
 \$ 4,933,800 \$ 5,089,800

General Services
 \$ 2,949,500 \$ 3,038,900

\$400,000 the first year and \$400,000 in the second year is for development of a computerized cost accounting system.

The commissioner of transportation shall submit forthwith to the chairmen of the house appropriations and senate finance committees a cost and time schedule for completion of the development project once phase II of the PRIDE procedure has been approved by the commissioners of administration and finance. This cost and time schedule shall include a description of the elements and costs of the development project which are anticipated to extend beyond the 1982-1983 biennium.

In addition the commissioner shall prepare a report every three months beginning October 1, 1981, describing the progress made in developing the computer system. The reports shall be sent to the above named chairmen.

Programming specifications for each stage of the project shall be frozen at the completion of PRIDE phase III for that stage. Any deviation shall require the approval of the commissioner of administration. If at the end of any quarter, development project expenditures exceed the schedule by 25 percent or more, the project shall

1982

1983

\$

\$

be halted immediately and shall not resume until reviewed and approved by the commissioners of administration and finance.

If the appropriation for either year is insufficient, the appropriation for the other year is available. However, the appropriation for the second year shall be expended with the approval of the governor, after consultation with the legislative advisory commission as provided by Minnesota Statutes, Section 3.30.

Legal Services

\$ 394,900 \$ 428,900

This appropriation is for the purchase of legal services from or through the attorney general.

Subd. 8. New Revenue Appropriated

The purpose of this subdivision is to provide a mechanism for increasing department of transportation complement and operational expenditures from the levels provided in the previous subdivisions of this section if new revenues are provided by the legislature to the department for highway purposes.

(a) Immediately following the adjournment of the 1981 session of the legislature, the commissioner of finance shall determine the total amount of new revenue provided by all acts of the legislature to the department of transportation for highway related purposes. The commissioner of finance shall report that amount of new revenue with an explanation of how the new revenue estimates were determined to the chairman of the senate finance committee and the chairman of the house appropriations committee.

(b) Appropriations to the department of transportation for operational purposes may increase by 7 percent of the new revenue determined pursuant to paragraph (a) of this subdivision. Complement may increase by 1 position for each \$1,000,000 of new revenue for the first \$100,000,000 of new revenue, by .55 positions for each \$1,000,000 of new revenue for new revenue from \$100,000,000 to \$200,000,000, and by .3 positions for each \$1,000,000 of new revenue for new revenue from \$200,000,000 to \$223,000,000. A detailed biennial spending and complement plan shall be submitted by the commissioner of transportation to the commissioner of finance, approved by the commissioner of finance, and reported to the chairman

\$ 1982

\$ 1983

of the senate finance committee and the chairman of the house appropriations committee by June 30, 1981. In no activity may the appropriations in this plan exceed those recommended by the governor in his biennial budget, and in no event shall the complement increase by more than 161 positions over the complement set in this act.

(c) The amounts necessary to provide increases in appropriations pursuant to this subdivision are appropriated from the trunk highway fund to the commissioner of transportation.

Subd. 9. Transfers

The commissioner of transportation with the approval of the commissioner of finance may transfer unencumbered balances among the appropriations from the trunk highway fund made in this section. No transfer shall be made from the appropriation for highway improvement, except to the appropriation for highway maintenance, nor shall any transfer be made from highway maintenance, except with the approval of the governor after consultation with the legislative advisory commission.

No transfer shall be made from the appropriations for debt service to any other appropriation. Transfers shall be reported forthwith to the committee on finance of the senate and the committee on appropriations of the house of representatives.

Subd. 10. Contingent Appropriation

The commissioner of transportation, with the approval of the governor after consultation with the legislative advisory commission, may transfer all or part of the unappropriated balance in the trunk highway fund to the appropriation for highway improvement or for departmental operations in order to meet an emergency or to take advantage of an unanticipated receipt of income to the trunk highway fund. The amount transferred is appropriated for the purpose of the account to which it is transferred.

Subd. 11. Reimbursement

(a) The sums of \$1,140,500 for the first year and \$1,152,900 for the second year are appropriated from the general fund for transfer by the commissioner of finance to the trunk highway fund on January 1, 1982 and January 1, 1983, respectively, in order to reimburse the trunk highway fund for expenses not related to trunk

	1982	1983
	\$	\$

highways.

These represent amounts appropriated out of the trunk highway fund for general fund purposes as follows: transportation rates and regulation; transit administration; railroads, ports and pipelines; and general services.

(b) The sums of \$1,403,600 for the first year and \$1,316,400 for the second year are appropriated from the state airports fund for transfer by the commissioner of finance to the trunk highway fund on January 1, 1982 and January 1, 1983, respectively, in order to reimburse the trunk highway fund for expenses not related to trunk highways.

These represent amounts appropriated out of the trunk highway fund for aeronautics purposes in subdivision 5, and for general services in subdivision 7.

Sec. 3. PUBLIC SAFETY

General Operations and Management

55,949,800	56,943,800
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	1982	1983
Approved Complement -	1,677.3	1,649.3
General -	395.2	392.2
Trunk Highway -	1,023.3	1,026.3
Highway User -	182.6	174.6
Federal -	76.2	56.2

The above approved complement includes 504 in fiscal year 1982 and 511 in fiscal year 1983 for state funded unclassified patrol officers and supervisors of the highway patrol.

Nothing in this provision is intended to limit the authority of the commissioner of public safety to transfer personnel, with the approval of the commissioner of finance, among the various units and divisions within this section provided that the above complement shall be reduced accordingly.

No new highway patrol supervisory positions shall be established, with the exception of special duty assigned ranks for the length of assignment only.

Of this appropriation, \$14,655,500 for the first year and \$15,281,400 for the second year are from the general fund; \$34,400 the first year and \$37,300 the second year are from the state airports fund for the civil air patrol; \$35,182,400 for the first year and \$35,495,900 for the second year are from the trunk highway fund for traffic

	1982	1983
	\$	\$

safety programs. \$6,077,500 for the first year and \$6,129,200 for the second year are from the highway user tax distribution fund for the administration of motor vehicle laws.

The amounts that may be expended from this appropriation for each program are as follows:

Administration and Related Services

\$ 1,868,100	\$ 1,902,200
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This appropriation is from the trunk highway fund.

Emergency Services

\$ 610,600	\$ 615,800
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The appropriation in Laws 1979, Chapter 333, Section 41, for air warning devices is available only to match local money on the basis of 50 percent state and 50 percent local.

The appropriation in Laws 1980, Chapter 611, Section 6, is available until June 30, 1983.

Criminal Apprehension

\$ 8,092,100	\$ 8,660,000
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Of this appropriation, \$230,700 the first year and \$233,600 the second year is from the trunk highway fund for blood alcohol analysis.

\$49,500 the first year and \$51,200 the second year is for the bureau of criminal apprehension to continue to provide in-service training for peace officers on a regional basis.

\$38,000 the first year and \$38,000 the second year is for reimbursing political subdivisions for training peace officers and firefighters in the conduct of arson investigations.

\$171,000 each year is for grants to local officials for the cooperative investigation of cross jurisdictional criminal activity. \$193,800 the first year and \$206,500 the second year is for use by the bureau of criminal apprehension for the purpose of investigating cross jurisdictional criminal activity. Any unencumbered balance remaining in the first year does not cancel but is available for the second year of the biennium.

Fire Safety

\$ 1,045,200	\$ 1,064,000
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\$27,300 the first year and \$29,600 the second year is for reimbursing political subdivisions who enter into agreements to perform uniform fire code inspections.

	1982	1983
	\$	\$
State Patrol		
	\$24,550,600	\$24,654,000

This appropriation is from the trunk highway fund.

The commissioner may assign up to 11 pilots to the air patrolling of highways.

This appropriation provides sufficient money to operate the mobile truck weighing program on a 12 month basis.

No more than five positions in the state patrol support activity shall be filled by state troopers.

Capitol Security	\$ 968,600	\$ 965,300
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The commissioner shall submit to the legislature by January 1, 1982, a plan for coordinating capitol and mansion security activities.

Driver and Vehicle Licensing	\$17,578,800	\$17,789,100
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Of this appropriation, \$8,420,400 the first year and \$8,590,800 the second year is from the trunk highway fund, and \$6,077,500 the first year and \$6,129,200 the second year is from the highway user tax distribution fund.

During the biennium ending June 30, 1983, the commissioner of public safety shall continue to notify licensed drivers when their licenses need to be renewed.

Effective July 1, 1981, the fee for obtaining a copy of a traffic accident report is doubled.

License plates currently on hand in the department of public safety may be used for lifetime license plates.

Liquor Licensing	\$ 461,600	\$ 463,200
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Ancillary Services	\$ 774,200	\$ 830,200
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\$34,400 the first year and \$37,300 the second year is from the state airports fund for the civil air patrol.

\$112,600 the first year and \$115,300 the second year is from the trunk highway fund for traffic safety and research.

\$27,200 the first year and \$27,600 the second year is for the expenses of the Private Detective and Protective Agency Licensing Board.

1982 1983
\$ \$

The commissioner of public safety with the approval of the commissioner of finance may transfer unencumbered balances not specified for a particular purpose among the above programs. Transfers shall be reported forthwith to the committee on finance of the senate and the committee on appropriations of the house of representatives.

\$600,000 the first year and \$650,000 the second year is for the crime victims reparations board. If any funds are generated by a penalty assessment and dedicated for use in paying crime victims, the unexpended funds in this activity intended for payments to crime victims shall cancel. Any unencumbered balance remaining the first year does not cancel but is available for the second year of the biennium.

The sums of \$303,200 for the first year and \$313,800 for the second year are appropriated from the general fund for transfer by the commissioner of finance to the trunk highway fund on January 1, 1982 and January 1, 1983 respectively, in order to reimburse the trunk highway fund for expenses not related to the fund. These represent amounts appropriated out of the trunk highway fund for general fund purposes in the administration and related services program.

The sums of \$383,800 for the first year and \$391,400 for the second year are appropriated from the highway user fund for transfer by the commissioner of finance to the trunk highway fund on January 1, 1982 and January 1, 1983 respectively, in order to reimburse the trunk highway fund for expenses not related to the fund. These represent amounts appropriated out of the trunk highway fund for highway user fund purposes in the administration and related services program.

Sec. 4. COMMERCE

General Operations and Management	1982	1983	6,736,000	6,792,300
	248	244		
Approved Complement -	245	241		
General -	3	3		
Special -				

The amounts that may be expended from this appropriation for each program are as follows:

Supervision of State Chartered Financial Institutions

\$ 2,205,500 \$ 2,232,500

	1982	1983
	\$	\$

Included in this appropriation is \$130,000 each year for employee salary structure changes. The department of employee relations is directed to review the classification structure of financial institution examiners and if revisions are appropriate to work with the department of commerce in preparing revised classification specifications and standards. If no or lesser adjustments are made, the remaining amounts shall cancel back to the general fund.

The commissioner of banks shall cooperate with the state treasurer in the conduct of audits relating to unclaimed property.

Investment Protection

\$ 998,700	\$ 1,024,300
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\$157,900 the first year and \$167,500 the second year is from the real estate education, research and recovery fund for the purpose of Minnesota Statutes, Section 82.34, Subdivision 6. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

Consumer Services

\$ 1,111,300	\$ 1,101,000
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This appropriation includes funding for activities relating to cosmetology pursuant to sections 31 to 48 of this act.

The director of consumer services shall establish a statewide consumer outreach service to provide consumer services, education, and information throughout the state.

The staff complement of the section of consumer services shall be increased by four to carry out the program of the statewide consumer outreach service.

Regulation of Insurance Companies

\$ 1,700,300	\$ 1,721,600
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The commissioner of insurance shall cooperate with the state treasurer to improve procedures for notifying beneficiaries of the death of life insurance policyholders.

General Support

\$ 872,200	\$ 892,700
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General Staff Reduction

(\$ 27,600)	(\$ 55,500)
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The amounts appropriated for the several programs and activities each year shall be reduced

1982 1983
\$ \$

by the amount of the general staff reduction so that the total appropriated for all programs and activities does not exceed the amount appropriated for general operations and management for that year.

General Reduction

(\$ 124,400) (\$ 124,300)

The amounts appropriated for the several programs and activities each year shall be reduced by the amount of the general reduction so that the total appropriated for all programs and activities does not exceed the amount appropriated for general operations and management for that year.

The commission with the approval of the commissioner of finance may transfer unencumbered balances among the above programs. Transfers shall be reported forthwith to the committee on finance of the senate and the committee on appropriations of the house of representatives.

Sec. 5. [NON-HEALTH RELATED BOARDS.]

Subdivision 1. Total for this section	1,467,300	1,460,700
Subd. 2. Board of Abstractors	3,700	3,900
Subd. 3. Board of Accountancy	185,100	195,700
Approved Complement - 4		
Subd. 4. Board of Architecture, Engineering and Land Surveying	244,700	237,200
Approved Complement - 7		
Subd. 5. Board of Barber Examiners	88,400	90,800
Approved Complement - 3		
Subd. 6. Board of Boxing and Wrestling	32,600	33,600
Approved Complement - 1		
Subd. 7. Board of Electricity	616,300	595,400
Approved Complement - 18		
Subd. 8. Board of Peace Officer Standards and Training		
General Operations and Management	290,700	297,600
Approved Complement - 10		
Subd. 9. Board of Examiners in Watchmaking	5,800	6,500

	1982	1983
	\$	\$
Sec. 6. PUBLIC UTILITIES		
COMMISSION	1,064,500	1,011,300
Approved Complement - 27		
\$85,000 the first year is for transfer to the special account for administrative hearing costs.		
Sec. 7. PUBLIC SERVICE		
General Operations and Management	2,959,000	3,024,500
Approved Complement - 98		
General - 94		
Federal - 4		
The amounts that may be expended from this appropriation for each program are as follows:		
Utility Regulation		
\$ 1,233,000 \$ 1,251,700		
Weights and Measures		
\$ 1,329,200 \$ 1,370,700		
Effective July 1, 1981, the flat rate and hourly fees for regular and special weights and measures inspections by the department of public service shall be based upon hourly charges of \$35 for light duty devices, \$40 for heavy duty devices, and \$47 for laboratory work. Notice of the revised fees shall be published in the state register as soon as practicable. During the biennium ending June 30, 1983 these fees shall not be decreased, but may be increased pursuant to section 239.52, as amended by this act. Thereafter, the fees shall be set as provided in that section.		
Administrative Services		
\$ 396,800 \$ 402,100		
The public service department with the approval of the commissioner of finance may transfer unencumbered balances among the above programs. Transfers shall be reported forthwith to the committee on finance of the senate and the committee on appropriations in the house of representatives.		
Sec. 8. ETHICAL PRACTICES BOARD ..	156,700	161,000
Approved Complement - 5		
Sec. 9. MINNESOTA MUNICIPAL		
BOARD	166,900	169,600
Approved Complement - 4		
Sec. 10. MINNESOTA-		
WISCONSIN BOUNDARY AREA		
COMMISSION	54,800	60,000

	1982	1983
	\$	\$
The amount expended shall not exceed the amount provided for the commission by the state of Wisconsin.		
Sec. 11. UNIFORM LAWS COMMISSION	12,600	12,900
Sec. 12. VOYAGEURS NATIONAL PARK CITIZENS COMMITTEE	51,000	52,000
Sec. 13. SOUTHERN MINNESOTA RIVERS BASIN BOARD	46,700	48,100
Sec. 14. MINNESOTA HISTORICAL SOCIETY	6,910,300	7,023,500

The amounts that may be expended from this appropriation for each program are as follows:

(a) Minnesota Historical Society
Operations

\$ 6,532,800 \$ 6,636,500

\$30,000 in the first year is for the purpose of maintaining Minnesota military history museums at Fort Snelling and Camp Ripley. Any unexpended funds shall not cancel and shall be available in the second year.

This appropriation includes money for a seven-day-a-week tour program in the capitol and historical buildings. The historical building shall remain open for public use on Saturdays and, if necessary, adjustments in the remainder of the week day schedule may be effected by the Minnesota historical society.

Any unencumbered balance remaining at the end of the first year shall be returned to the state treasury and credited to the general fund.

The appropriation in this subdivision includes no funds for compensation increases. The Minnesota historical society will draw on the open appropriation for that purpose. Employees of the Minnesota historical society will be paid in accordance with the appropriate pay plan.

(b) Historic Grant-In-Aid

\$ 245,000 \$ 245,000

For historic site grants to encourage local historic preservation projects.

To be eligible for a grant, a county or local project group must provide a 50 percent match, in accordance with the historical society's guidelines.

(c) Fiscal Agent

\$ 132,500 \$ 142,000

1982 1983
\$ \$

\$40,100 the first year and \$41,000 the second year is for the Sibley House Association.

This appropriation is available for operation and maintenance of the Sibley House and related buildings on the Old Mendota state historic site owned by the Sibley House association.

The historical society should seek an agreement with the Sibley House association whereby the historical society will make payments to the association for this purpose and will provide the association with technical assistance in applying for federal grants.

Notwithstanding any laws to the contrary, the Sibley House association may purchase fire, wind, hail, and vandalism insurance, and insurance coverage for fine art objects from this appropriation.

\$50,000 the first year and \$55,000 the second year is for the Government Learning Center.

\$26,500 the first year and \$28,700 the second year is for the Minnesota Humanities Commission.

\$15,900 the first year and \$17,300 the second year is for the Minnesota International Center.

Any unencumbered balance remaining in (b) or (c) the first year does not cancel but is available for the second year of the biennium.

Sec. 15. BOARD OF THE ARTS	2,160,000	2,340,000
1982 1983		

Approved Complement -	16	16
Federal	3	3

The amounts that may be expended from this appropriation for each program are as follows:

(a) Administrative Services
\$ 355,700 \$ 361,500

(b) Subsidies and Grants
\$ 1,804,300 \$ 1,978,500

\$70,200 the first year and \$85,700 the second year is for individual artist grants.

\$676,600 the first year and \$700,100 the second year is for the support of regional arts councils throughout the state.

The board of the arts shall prepare a report that includes, but is not necessarily limited to: (1) a documentation of the historical expenditures of state monies by regional arts councils in the areas of program grants, administrative costs,

and program services; (2) a documentation of the projected financial needs in the area of grants, administrative costs, and program services; (3) a set of specific alternatives on the amount of state money granted to regional arts councils that may be used for both general administrative costs and program service costs; and (4) a recommendation for the allocation of block grants to regional arts councils to insure an equitable distribution of money throughout the state. The report shall be submitted to the chairman of the senate finance committee and the chairman of the house appropriations committee by January 1, 1982, and the appropriations for the regional arts councils for fiscal year 1983 shall not be available for expenditure until the chairmen have made their recommendations on the report. The recommendations are advisory only. Failure or refusal to make a recommendation promptly is deemed a negative recommendation.

Any unencumbered balance remaining in (a) or (b) the first year does not cancel but is available for the second year of the biennium.

Sec. 16. MINNESOTA HUMANE
SOCIETY

50,000

No state money shall be expended for the care, feeding, housing, or disposal of animals.

Any unencumbered balance remaining in the first year does not cancel but is available for the second year of the biennium.

Sec. 17. COUNTY ATTORNEYS
COUNCIL

121,800

	1982	1983
Approved Complement -	4	4
General -	4	2
Special -	0	2

No additional funding shall be available for the above program beyond June 30, 1983. Any unexpended balances remaining in the first year do not cancel but are available for the second year of the biennium.

Sec. 18. MINNESOTA
HORTICULTURAL SOCIETY

71,800

77,500

Sec. 19. MINNESOTA
ACADEMY OF SCIENCE

23,300

23,300

Sec. 20. SCIENCE
MUSEUM OF MINNESOTA

200,000

200,000

	1982	1983
Sec. 21. MINNESOTA SAFETY COUNCIL	\$ 46,600	\$ 50,700

This appropriation is from the trunk highway fund.

Sec. 22. DISABLED AMERICAN VETERANS	18,500	20,100
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For salaries, supplies and expenses to be expended as provided by Laws 1941, Chapter 425.

Sec. 23. VETERANS OF FOREIGN WARS	25,000	25,000
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For carrying out the provisions of Laws 1945, Chapter 455.

Sec. 24. Minnesota Statutes 1980, Section 12.14, is amended to read:

12.14 [ASSESSMENT FOR NUCLEAR SAFETY PREPAREDNESS ACT.]

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 \$250,000 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 for deposit in the general fund within 90 days of April 25, 1980. Thereafter, an assessment of ~~\$50,000~~ \$75,000 per plant shall be paid annually on July 1 of each year, beginning with July 1, 1981, to cover ongoing costs related to the emergency response plan.

Sec. 25. Minnesota Statutes 1980, Section 15.0412, Subdivision 4, is amended to read:

Subd. 4. No rule, *other than a rule setting a fee covered by section 16A.128 or section 214.06*, shall be adopted by any agency unless the agency first holds a public hearing thereon, affording all affected interests an opportunity to participate. *Fee adjustments authorized under section 16A.128 or section 214.06 may be made by rule without a public hearing when the total fees received during the fiscal biennium will not exceed 110 percent of the sum of all direct appropriations, transfers in, and salary supplements for that purpose for the biennium.* Each agency shall maintain a list of all persons who have registered with the agency for the purpose of receiving notice of rule hearings. The agency may inquire as to whether those persons on the list wish to maintain their names thereon and may remove names for which there is a negative reply or no reply within 60 days. The agency shall, at least 30 days prior to the date set for the hearing, give notice of its intention to hold a hearing by United States mail to all persons on its list, and by publication in the state register. Each agency may, at its own discretion, also contact persons not on its list and may give notice of its intention to hold a hearing in newsletters, newspapers or other publications or through other means of communication. The notice in the state register shall include the full text of the rule proposed for adoption and, when amending existing rules, whatever portion of the existing rules is necessary to provide adequate notice of the nature of the proposed action. When an entire rule is proposed to be repealed, the agency need only publish that fact, giving the exact citation to the rule to be repealed in the notice.

Sec. 26. Minnesota Statutes 1980, Section 16A.128, is amended to read:

16A.128 [FEE ADJUSTMENTS.]

The fees fixed for the various accounts for which appropriations are made by law, shall be neither increased nor decreased except with the approval of the commissioner of finance. All ~~such~~ these fees shall be reviewed at least once each six months, and ~~such~~ adjustments shall be made to the end that the total fees received shall approximate the amount appropriated for the several ~~funds~~ accounts, ~~plus the portion of the general support costs and statewide indirect costs of the agency that is attributable to the function for which the fee is charged.~~ Fee adjustments authorized under this section may be made without a public hearing when the total fees ~~estimated to be received during the fiscal biennium~~ will not exceed ~~the amount of the direct appropriation~~ 110 percent of the sum of all direct appropriations, transfers in, and salary supplements for that purpose for the biennium.

Sec. 27. Minnesota Statutes 1980, Section 37.17, is amended by adding a subdivision to read:

Subd. 3. [EXPANSION OF CERTAIN LICENSES.] The society shall permit the expansion of services by license holders for food services by allowing additional sites upon request of the contract holder, provided that:

(a) The request for additional sites, is made by a license holder of five years or more;

(b) No more than four sites are held by a single license holder at the time of the request; and

(c) The sites are physically available at the fairgrounds.

The society shall make every effort to make additional sites available and shall not unreasonably withhold the allocation of additional sites, to qualified license holders, or fail to renew contracts for established food concessionaries who have made every good faith effort to comply with state fair rules and regulations.

Sec. 28. Minnesota Statutes 1980, Section 43.491, Subdivision 2, is amended to read:

Subd. 2. The following persons enumerated in this subdivision though excluded by section 43.47 from coverage are nonetheless eligible for coverages at their own expense pursuant to the provisions of subdivision 1:

(1) A part time or seasonal employee of the state serving on less than a 75 percent time basis;

(2) An employee of the board of regents of the University of Minnesota on the academic staff serving on less than a 75 percent regular appointment;

(3) A part time or seasonal employee of the board of regents of the University of Minnesota and a member of the civil service staff under the civil service plan serving on less than a 75 percent time basis;

(4) An employee in the unclassified service of the state civil service who is employed by the state university board or the state board for community colleges as a member of the academic staff serving on less than a 75 percent time basis;

(5) An officer or employee of the state agricultural society, state horticultural society, Sibley house association, Minnesota humanities commission, Minnesota international center, Minnesota academy of science, science mu-

seum of Minnesota, Minnesota safety council, or Minnesota humane society, state office of disabled American veterans, or state office of veterans of foreign wars;

(6) A civilian employee of the adjutant general who is paid from federal funds and who is not eligible to benefits from any federal civilian employee group life insurance or health benefits program;

(7) An officer or employee of the state capitol credit union or the hiway credit union.

Sec. 29. Minnesota Statutes 1980, Section 46.131, Subdivision 3, is amended to read:

Subd. 3. A proportionate share of all annual office expenses of the commissioner of banks and the portion of the general support costs of the department of commerce and of the cost of services provided by the attorney general that is attributable to the commissioner of banks, as well as all actual expenses of the examiners in the field, excepting salaries, shall be allocated to each industry affected, and referred to in subdivision 4, as assessments and on the basis of the total time devoted to each.

Sec. 30. [138.94] [STATE HISTORICAL CENTER.]

The Historical building at 690 Cedar Street and the land housing the Mechanic Arts gymnasium, parking lot, and any other properties between those entities and the Historical building at 690 Cedar Street is hereby designated as the State Historical Center, and is to be used for such purposes notwithstanding any other law to the contrary. Authority for administration and control of the State Historical Center is conferred on the Minnesota historical society. As such, the society is exempt from rental or lease costs by the state. The state will maintain and provide custodial, security, and climate control services for the Historical Center.

Sec. 31. [155A.01] [POLICY.]

The legislature finds that the health and safety of the people of the state are served by the licensing of the practice of cosmetology because of the use of chemicals, apparatus, and other appliances requiring special skills and education.

To this end, the public will best be served by vesting these responsibilities in the director of the office of consumer services.

Sec. 32. [155A.02] [PROHIBITION; LIMITATION.]

It shall be unlawful for any person to engage in cosmetology, or to conduct or operate a cosmetology school or salon, except as hereinafter provided.

Sec. 33. [155A.03] [DEFINITIONS.]

Subdivision 1. [TERMS.] For purposes of sections 31 to 48, and unless the context clearly requires otherwise, the words defined in this section have the meanings given them.

Subd. 2. [COSMETOLOGY.] "Cosmetology" is the practice of personal services, for compensation, for the cosmetic care of the hair, nails, and skin. These services include cleaning, conditioning, shaping, reinforcing, coloring and enhancing the body surface in the areas of the head, scalp, face, arms,

hands, legs, and feet, except where these services are performed by a licensed barber under chapter 154.

Subd. 3. [COSMETOLOGIST.] A "cosmetologist" is any person who, for compensation, performs the personal services, as defined in subdivision 2.

Subd. 4. [ESTHETICIAN.] An "esthetician" is any person who, for compensation, performs personal services for the cosmetic care of the skin only.

Subd. 5. [MANICURIST.] A "manicurist" is any person who, for compensation, performs personal services for the cosmetic care of the hands, feet, and nails only.

Subd. 6. [MANAGER.] A "manager" is any person who conducts, operates, or manages a cosmetology school or salon and who also instructs in or provides any services, as defined in subdivision 2.

Subd. 7. [SALON.] A "salon" is an area, room, or rooms employed to offer personal services, as defined in subdivision 2. "Salon" does not include the home of a customer but the director may adopt health and sanitation rules governing practice in the homes of customers.

Subd. 8. [SCHOOL.] A "school" is a place where any person operates and maintains a class to teach cosmetology to the public for compensation. "School" does not include a place where the only teaching of cosmetology is done by a licensed cosmetologist as part of a community education program of less than ten hours duration, provided that the program does not permit practice on persons other than students in the program, and provided that the program is intended solely for the self-improvement of the students and not as preparation for professional practice.

Subd. 9. [INSTRUCTOR.] An "instructor" is any person employed by a school to prepare and present the theoretical and practical education of cosmetology to persons who seek to practice cosmetology.

Subd. 10. [DIRECTOR.] "Director" means the director of the office of consumer services.

Subd. 11. [COUNCIL.] The "council" is the Minnesota cosmetology advisory council, as defined in section 36.

Subd. 12. [PERSON.] The term "person" may extend and be applied to bodies politic and corporate, and to partnership and other unincorporated associations.

Sec. 34. [155A.04] [ADMINISTRATION.]

Subdivision 1. [DIRECTOR'S POWERS AND DUTIES; GENERALLY.] The director of the office of consumer services shall have the power and duties necessary for the administration of the provisions of this chapter.

Subd. 2. [HIRING AND ASSIGNMENT OF EMPLOYEES.] The director shall have the authority to hire in the classified service, or to assign to employees of the department of commerce, qualified personnel to assist in administering the law, including those for the testing and licensing of applicants and the continuing inspections required.

Sec. 35. [155A.05] [RULES.]

The director shall develop and adopt rules to carry out the provisions of

sections 31 to 48 by December 31, 1982, pursuant to chapter 15. For purposes of sections 31 to 48, the director may adopt temporary rules, pursuant to section 15.0412, subdivision 5. These rules may be reissued as temporary rules until permanent rules are adopted or until December 31, 1982, whichever is earlier. These temporary rules may provide that for any renewal license issued by the director within one year after the effective date of this section, the term of renewal shall be either one, two, or three years. The fee for a one-year renewal license shall be one-third of the fee for a three-year renewal license, and the fee for a two-year renewal shall be two-thirds of the three-year fee.

Sec. 36. [155A.06] [ADVISORY COUNCIL.]

Subdivision 1. [CREATION.] The Minnesota cosmetology advisory council is created, consisting of nine members, as follows: Three members representative of consumers; three cosmetologists or shop managers; two cosmetology school representatives, one representing public cosmetology schools and one representing private cosmetology schools; and one representative of manufacturers of cosmetology products. The chair shall be selected at the first meeting of each year by the council from among its members by majority vote and shall serve until a successor is elected.

Subd. 2. [APPOINTMENTS.] Appointments to the council shall be made by the governor in accordance with section 15.0597.

Subd. 3. [MEMBERSHIP TERMS.] Each member of the council shall be appointed for a four year term, except that in making the appointments for the first term the governor shall appoint members for one, two, three, or four year duration by September 1, 1981 so that appointments do not expire concurrently.

Subd. 4. [DUTIES.] The council shall meet at least annually, at the call of the director. The council shall advise the director of the availability of cosmetology services and their ethical and safe operation. The director shall consult with the council prior to the promulgation of any rules, adoption of testing instruments, criteria for inspections, and other matters as the director deems appropriate.

Subd. 5. [COMPENSATION.] Members of the council shall be compensated for expenses as provided in section 15.059.

Sec. 37. [155A.07] [PRACTITIONER.]

Subdivision 1. [LICENSING.] Individual licensing shall be required for persons seeking to practice in the state as a cosmetologist, esthetician, manicurist, manager, or instructor.

Subd. 2. [QUALIFICATIONS.] Qualifications for licensing in each classification shall be determined by the director in consultation with the council, established by rule, and shall include educational and experiential prerequisites. The rules shall require a demonstrated knowledge of procedures necessary to protect the health of the practitioner and the consumer of cosmetology services, including but not limited to chemical applications.

Subd. 3. [TESTING.] Appropriate standardized tests shall be used and shall include subject matter relative to the application of Minnesota law. In every case, the primary consideration shall be to safeguard the health and safety of consumers by determining the competency of the applicants to provide

the services indicated.

Subd. 4. [LICENSING WITHOUT TEST.] Licensing of persons without testing may be allowed as determined by rules.

Subd. 5. [DURATION OF LICENSE.] Licensing in each classification shall be for a period of three years.

Subd. 6. [RENEWALS.] Renewal of license shall be for a period of three years under conditions and process established by rule.

Subd. 7. [FEES.] Examination and licensing fees shall be established and adjusted, by rule, so that the total amount of fee income at least meets the anticipated costs, as provided in section 214.06.

Subd. 8. [EXEMPTIONS.] Persons licensed to provide cosmetology services in other states visiting this state for cosmetology demonstrations shall be exempted from the licensing provisions of sections 31 to 48 provided that services to consumers are in the physical presence of a licensed cosmetologist.

Sec. 38. [155A.08] [SALONS.]

Subdivision 1. [LICENSING.] Any person who offers cosmetology services for compensation in this state shall be licensed as a salon if not employed by another licensed salon.

Subd. 2. [REQUIREMENTS.] The conditions and process by which a salon is licensed shall be established by the director by rule after consultation with the council. The rule shall include the following requirements:

(a) Compliance with all local and state laws, particularly relating to matters of sanitation, health, and safety;

(b) The employment of a manager, as defined in section 33, subdivision 6;

(c) Inspection and licensing prior to the commencing of business; and

(d) Evidence of professional liability insurance coverage in an amount by claim and total coverage as established by rule. The rule shall authorize a licensed manicurist who complies with the health, safety, sanitation, inspection, and insurance rules promulgated by the director to operate a salon solely for the performance of those personal services defined in section 33, subdivision 5.

Subd. 3. [HEALTH AND SANITARY STANDARDS.] Minimum health and sanitary standards for the operation of a salon shall be established by rule. A salon shall not be located in a room used for residential purposes. If a salon is in the residence of a person practicing cosmetology, the rooms used for the practice of cosmetology shall be completely partitioned off from the living quarters. There shall be an inspection at least annually to affirm compliance.

Subd. 4. [RENEWAL.] Licenses shall be renewed every three years by a process established by rule.

Subd. 5. [FEES.] Licensing and inspection fees shall be established and adjusted, by rule, so that the total amount of fee income at least meets the anticipated costs, as provided in section 214.06.

Sec. 39. [155A.09] [SCHOOLS.]

Subdivision 1. [LICENSING.] Any person who establishes or conducts a

school in this state shall be licensed.

Subd. 2. [STANDARDS.] The director, after consultation with the council, shall by rule establish minimum standards of course content and length specific to the educational preparation prerequisite to testing and licensing as cosmetologist, esthetician, and manicurist.

Subd. 3. [APPLICATIONS.] Application for a license shall be prepared on forms furnished by the director and shall contain the following and such other information as may be required:

(a) The name of the school, together with ownership and controlling officers, members, managing employees and director;

(b) The specific fields of instruction which will be offered and reconciliation of the course content and length to meet the minimum standards, as prescribed in subdivision 2;

(c) The place or places where instruction will be given;

(d) A listing of the equipment available for instruction in each course offered;

(e) The maximum enrollment to be accommodated;

(f) A listing of instructors, all of whom shall be licensed as provided in section 37, subdivision 2, except that any school may use occasional instructors or lecturers who would add to the general or specialized knowledge of the students but who need not be licensed;

(g) A current balance sheet, income statement or documentation to show sufficient financial worth and responsibility to properly conduct a school and to assure financial resources ample to meet the school's financial obligations;

(h) Other financial guarantees which would assure protection of the public as determined by rule; and

(i) A copy of all written material which the school uses to solicit prospective students, including but not limited to a tuition and fee schedule, and all catalogues, brochures and other recruitment advertisements. Each school shall annually, on a date determined by the director, file with the director any new or amended materials which it has distributed during the past year.

Subd. 4. [VERIFICATION OF APPLICATION.] Each application shall be signed and certified to under oath by the proprietor if the applicant is a proprietorship, by the managing partner if the applicant is a partnership, or by the authorized officers of the applicant if the applicant is a corporation, association, company, firm, society or trust.

Subd. 5. [CONDITIONS PRECEDENT TO ISSUANCE.] No license shall be issued unless the director first determines:

(a) That the applicant has a sound financial condition with sufficient resources available to meet the school's financial obligations; to refund all tuition and other charges, within a reasonable period of time, in the event of dissolution of the school or in the event of any justifiable claims for refund against the school; to provide adequate service to its students and prospective students; and for the proper use and support of the school to be maintained;

(b) That the applicant has satisfactory training facilities with sufficient tools

and equipment and the necessary number of work stations to adequately train the students currently enrolled, and those proposed to be enrolled;

(c) That the applicant employs a sufficient number of qualified instructors trained by experience and education to give the training contemplated;

(d) That the premises and conditions under which the students work and study are sanitary, healthful, and safe according to modern standards;

(e) That each occupational course or program of instruction or study shall be of such quality and content as to provide education and training which will adequately prepare enrolled students for testing, licensing, and entry level positions as a cosmetologist, esthetician, or manicurist; and

(f) Evidence of professional liability insurance coverage in an amount by claim and total coverage as established by rule.

Subd. 6. [FEES; RENEWALS.] (a) Applications for initial license under this chapter shall be accompanied by a nonrefundable application fee established by rule.

(b) License duration shall be three years. Each renewal application shall be accompanied by a nonrefundable renewal fee established by rule.

(c) Application for renewal of license shall be made as stipulated in rules promulgated by the director and on forms supplied by the director.

Subd. 7. [INSPECTIONS.] All schools shall be inspected at least once a year. The director shall have the authority to assess the cost of the inspection to the school.

Subd. 8. [LIST OF LICENSED SCHOOLS; AVAILABILITY.] The director shall maintain and make available to the public a list of licensed schools.

Subd. 9. [SEPARATION OF SCHOOL AND PROFESSIONAL DEPARTMENTS.] A school shall display in the entrance reception room of its student section a sign prominently and conspicuously indicating that all work therein is done exclusively by students. Professional departments of a school shall be run as entirely separate and distinct businesses and shall have separate entrances.

Nothing contained in sections 31 to 48 shall prevent a school from charging for student work done in the school to cover the cost of materials used and expenses incurred in and for the operation of the school. All of the student work shall be prominently and conspicuously advertised and held forth as being student work and not otherwise.

Subd. 10. [DISCRIMINATION PROHIBITED.] No school, duly approved under this chapter, shall refuse to teach any student, otherwise qualified, on account of race, sex, creed, color, citizenship, national origin, or sexual preference.

Sec. 40. [155A.10] [DISPLAY OF LICENSE.]

(a) Every holder of a license granted by the director, shall display it in a conspicuous place in the place of business.

(b) Notwithstanding the provisions of paragraph (a), nothing contained in sections 31 to 48 shall be construed to prohibit a person licensed to provide

cosmetology services from engaging in any practices defined in sections 31 to 48 in the homes of customers or patrons, under the sanitary and health rules promulgated by the director.

Sec. 41. [155A.11] [REVOCATION OF LICENSE.]

Subdivision 1. [GROUNDS.] The director may, after notice and opportunity for a hearing pursuant to chapter 15, refuse to renew, or revoke or suspend any license for any one, or combination of, the following grounds:

(a) Violation of any provision of sections 31 to 48 or any other statute or rule promulgated or enforced by the director;

(b) Intentionally furnishing false, misleading, or incomplete information;

(c) Refusal to allow reasonable inspection or supply reasonable information after a written request by the director or his designee;

(d) The existence of any circumstance which would be grounds for the refusal of an initial or renewal license.

Subd. 2. [APPEAL FROM ORDER.] Any order refusing, revoking, or suspending a license is appealable to the district court where the licensee conducts business as provided in chapter 15. If a person has been operating and the person's license has been revoked, suspended, or refused by the director, the order is not effective until final determination of the appeal unless the court orders it to take effect immediately.

Sec. 42. [155A.12] [COMPLAINTS; INVESTIGATIONS AND HEARINGS.]

Subdivision 1. [NOTICE TO ATTORNEY GENERAL.] The director or person employed by him who receives a complaint or other communication, whether oral or written, alleging or implying a violation of a statute or rule which the director is empowered to enforce, which cannot be conciliated or resolved by the director or his designee shall promptly forward the substance of the communication on a form prepared by the attorney general to the designee of the attorney general responsible for providing legal services to the director. Before proceeding further with the communication, the director or designee of the attorney general may require the complaining party to state his complaint in writing on a form prepared by the attorney general. Complaints which relate to matters within the jurisdiction of another governmental agency shall be forwarded to that agency by the director. An officer of that agency shall advise the director of the disposition of that complaint. A complaint received by another agency which relates to a statute or rule which the director is empowered to enforce shall be forwarded to the director to be processed in accordance with this section.

Subd. 2. [INVESTIGATIONS BY ATTORNEY GENERAL.] The designee of the attorney general providing legal services to the director shall evaluate the communications forwarded to him by the director. If the communication alleges a violation of statute or rule which the director is to enforce, the designee is empowered to investigate the facts alleged in the communication. In the process of evaluation and investigation, he shall consult with or seek the assistance of the director. He may also consult with or seek the assistance of any other qualified person who the designee believes will materially aid in the process of evaluation or investigation. The director may attempt to correct

improper activities and redress grievances through education, conference, conciliation and persuasion, and in these attempts he may be assisted by the designee of the attorney general. If the attempts at correction or redress do not produce satisfactory results in the opinion of the director, or if after investigation the designee providing legal services to the director believes that the communication and the investigation suggest illegal or unauthorized activities warranting action, he shall inform the director who shall schedule a disciplinary hearing in accordance with chapter 15. Before scheduling a disciplinary hearing, the basis for the hearing must be stated in writing. The director shall promptly inform the complaining party, if any, of the final disposition of the complaint. Nothing in this section shall preclude the director from scheduling a disciplinary hearing based upon the findings or report of the director's staff or the attorney general.

Subd. 3. [ISSUANCE OF COMPULSORY PROCESS.] In all matters pending before him relating to his lawful regulation activities, the director may issue subpoenas and compel the attendance of witnesses and the production of all necessary papers, books, records, documents, and other evidentiary material. Any person failing or refusing to either appear to testify regarding any matter about which he may be lawfully questioned, or produce any papers, books, records, documents, or other evidentiary materials in the matter to be heard, after having been required by the order of the director or by subpoena of the director to do so may, upon application to the district court where the licensee conducts business, be ordered to comply therewith. The director may issue subpoenas and may administer oaths to witnesses, or take their affirmation. Depositions may be taken within or without the state in the manner provided by law for the taking of depositions in civil actions. A subpoena or other process or paper may be served upon any person named therein, anywhere within the state by any officer authorized to serve subpoenas or other process or paper in civil actions, with the same fees and mileage and in the same manner as prescribed by law for service of process issued out of the district court of this state. Fees and mileage and other expenses shall be paid as the director directs.

Sec. 43. [155A.13] [ADDITIONAL REMEDY.]

In addition to any other remedy provided by law, the director may in his own name bring an action in the district court where the licensee conducts business for injunctive relief to restrain any unauthorized practice or violation or threatened violation of any statute or rule which the director is empowered to regulate or enforce. A temporary restraining order may be granted in the proceeding if continued activity by a person would create an imminent risk of harm to others. Injunctive relief granted pursuant to this section shall not relieve the person from disciplinary action by the director in respect to the person's license or application for license or renewal.

Sec. 44. [155A.14] [SERVICES EXCEPTED; EMERGENCY.]

Nothing in sections 31 to 48 shall prohibit services in cases of emergency where compensation or other reward is not received, nor in domestic service, nor in the practice of medicine, surgery, dentistry, podiatry, osteopathy, chiropractic, or barbering. This section shall not be construed to authorize any of the persons so exempted to wave the hair, or to color, tint, or bleach the hair, in any manner.

Sec. 45. [155A.15] [APPOINTMENT OF AGENT FOR SERVICE OF PROCESS.]

Any person, firm, partnership, or corporation, not a resident of Minnesota, who engages in Minnesota in the practices regulated in sections 31 to 48 shall file with the director the name and address of a duly authorized agent for service of legal process, which agent for service shall be a resident of the state of Minnesota.

Sec. 46. [155A.16] [VIOLATIONS; PENALTIES.]

Any person who violates any of the provisions of sections 31 to 48 shall be guilty of a misdemeanor and upon conviction may be sentenced to imprisonment for not more than 90 days or fined not more than \$500, or both, per violation.

Sec. 47. [155A.17] [TRANSFER OF POWERS.]

Subdivision 1. [AUTHORIZATION.] The director, as successor to the board of cosmetology examiners, shall be deemed to be a continuation of the former authority and not a new authority for the purpose of succession to all the rights, powers, duties and obligations of the board of cosmetology examiners as they were constituted immediately prior to the effective date of sections 31 to 48.

Subd. 2. [EFFECT OF RULES TRANSFERRED.] All rules heretofore promulgated under the authority of a power, duty, or responsibility transferred by sections 31 to 48 to the director shall remain in full force until modified or repealed in accordance with law by the director.

Subd. 3. [EFFECT OF PENDING PROCEEDINGS.] Any proceeding, court action, prosecution, or other business or matter which is pending on the effective date of sections 31 to 48 and which was undertaken or commenced by the board of cosmetology examiners under the authority of any power, duty, or responsibility which is transferred by sections 31 to 48 to the director may be conducted and completed by the director in the same manner, under the same terms and conditions, and with the same effect as though no transfer was made.

Subd. 4. [TRANSFER OF CUSTODY OF DOCUMENTS.] Every individual responsible under law for administration of any function transferred by sections 31 to 48 to the director shall, upon request by the director or by any of his designated employees, transfer custody of all books, maps, plans, papers, records, contracts, and other documents relating to the transferred function and necessary or convenient for the proper discharge of the director's new duties. The transfer shall be made in accordance with the directions of the director or his designated employee.

Subd. 5. [APPROPRIATIONS.] All unexpended and unencumbered funds appropriated to the board of cosmetology examiners for the purpose of performing any of the functions, powers, or duties which are transferred by sections 31 to 48 to the director are hereby transferred to the director. If any unexpended appropriation must be allocated between the director and any other individual, office, division, agency, or department to accurately reflect the division of responsibilities between those individuals, divisions, agencies, or departments and the director after the effective date of sections 31 to 48, the commissioner of administration shall allocate the unexpended appropriation

as he deems appropriate.

Subd. 6. [TRANSFER OF POSITIONS.] *Prior to the effective date of sections 31 to 48, the director has the authority to identify which board of cosmetology positions are required to carry out the provisions of sections 31 to 48. The incumbents of those positions in the classified service which the director determines are needed to carry out sections 31 to 48 are transferred to the employment of the director. The positions of all persons who are employed in the unclassified service by the board of cosmetology examiners to perform any of the functions, powers, or duties which are transferred by sections 31 to 48 to the director are abolished. Nothing in this subdivision shall be construed as abrogating or modifying any rights now enjoyed by affected employees under the terms of an agreement between an exclusive representative of public employees and the state or one of its appointing authorities.*

Sec. 48. [155A.18] [PRIOR LICENSES.]

All licenses which were issued by the board of cosmetology under chapter 155, shall continue in effect under the office of consumer services until the licenses expire.

Sec. 49. Minnesota Statutes 1980, Section 161.125, Subdivision 1, is amended to read:

Subdivision 1. The commissioner of transportation shall, in accordance with the department's program, implement sound abatement measures within or along the perimeter of any interstate or trunk highway within incorporated areas located within the metropolitan area or any municipality whenever the noise level attributable to vehicular traffic at the abutting residential property line is in excess of the federal noise standards. The commissioner shall utilize federal matching funds available for constructing and maintaining sound abatement measures. *No standard adopted by any state agency for limiting levels of noise in terms of sound pressure in the outdoor atmosphere shall apply to any interstate highway.*

Sec. 50. Minnesota Statutes 1980, Section 161.242, Subdivision 4, is amended to read:

Subd. 4. [AUTHORITY.] The commissioner shall screen junk yards when required by this section at locations on the right-of-way of the highway or on lands within 1,000 feet of the right-of-way and shall pay for the costs thereof. If screening is not feasible because of economic or topographic reasons, the commissioner shall secure the removal, relocation or disposal of such junk yard by sale, agreement, or other means, and pay for the costs thereof. Notwithstanding the other provisions of this section, if a junk yard exists within one-half mile of the right-of-way of any trunk highway and is visible from the highway, the commissioner may acquire easements for screening purposes up to one-half mile from the edge of the right-of-way of the highway. The commissioner shall acquire such rights and interest in property, personal or real, necessary to carry out the purposes of this section by purchase, gift, or eminent domain proceedings and shall pay just compensation therefor. The commissioner shall not be required to expend any funds for such purposes unless federal moneys are available to the state and have money to acquire rights or interests in junk yards under this section, except those for which acquisition proceedings were begun before June 8, 1979 or for which federal money has

been appropriated by Congress for junk yards described in Title 23, United States Code, Section 136(j) and the federal share has been made available to the commissioner. All costs described herein shall be necessary for a highway purpose.

Sec. 51. Minnesota Statutes 1980, Section 168.013, Subdivision 1c, is amended to read:

Subd. 1c. [FARM TRUCKS.] On farm trucks, the tax shall be based on total gross weight and shall be 30 percent of the Minnesota base rate prescribed by subdivision 1e under Schedule I during each of the first six years of vehicle life, but in no event less than \$19, and during the seventh and succeeding years of vehicle life as taken from Schedule II, but in no event less than \$11. In addition to such the gross weight tax imposed on a truck-tractor or truck used as a truck-tractor, each semitrailer shall be taxed a fee of \$10 for a one year period or \$50 for a five year period whichever the applicant elects.

Sec. 52. Minnesota Statutes 1980, Section 162.09, Subdivision 4, is amended to read:

Subd. 4. [FEDERAL CENSUS TO BE CONCLUSIVE.] In determining whether any city has a population of 5,000 or more, the last federal census shall be conclusive provided that any city having been classified as having a population of 5,000 or more for the purposes of chapter 162 shall not be reclassified unless the city's population decreases by 15 percent from the census figure which last qualified the city for inclusion. A city not reclassified under the provisions of this section shall receive the following percentages of its 1981 apportionment for the years indicated: 1982, 66 percent and 1983, 33 percent. Thereafter the city shall not receive any apportionment from the municipal state-aid street fund unless its population is determined to be 5,000 or over by a federal census. The governing body of any city not reclassified under the provisions of this section may contract with the United States bureau of the census to take one special census before January 1, 1986. A certified copy of the results of the census shall be filed with the appropriate state authorities by the city. The result of the census shall be the population of the city for the purposes of any law providing that population is a required qualification for distribution of highway aids under chapter 162. The special census shall remain in effect until the 1990 federal census is completed and filed. The expense of taking the special census shall be paid by the city. Provided further, that if an entire area not heretofore incorporated as a city is incorporated as such during the interval between federal censuses, its population shall be determined by its incorporation census. The incorporation census shall be determinative of the population of the city only until the next federal census.

Sec. 53. Minnesota Statutes 1980, Section 168.013, Subdivision 1e, is amended to read:

Subd. 1e. [TRUCKS; TRACTORS; COMBINATIONS; EXCEPTIONS.] On all trucks and tractors except those in this chapter defined as farm trucks, and urban trucks, and on all truck-tractor and semi-trailer combinations except those defined as farm combinations and urban combinations, the tax based on total gross weight during the first six years of vehicle life shall be graduated according to Schedule I of the Minnesota base rate prescribed in this subdivision, but in no event less than \$28, and during the seventh and succeeding years of vehicle life the tax shall be graduated according to Schedule II of this

subdivision, but in no event less than \$17.

MINNESOTA BASE RATE

Scheduled taxes include five percent
surtax provided for in subdivision 14

TOTAL GROSS WEIGHT IN POUNDS		SCHEDULE I Tax	SCHEDULE II Tax
A	0 - 1,500	\$ 5.00	\$
B	1,501 - 3,000	9.00
C	3,001 - 4,500	14.00	8.00
D	4,501 - 6,000	19.00	11.00
E	6,001 - 9,000	28.00	17.00
F	9,001 - 12,000	39.00	23.00
G	12,001 - 15,000	62.00	37.00
H	15,001 - 18,000	86.00	52.00
I	18,001 - 21,000	114.00	68.00
J	21,001 - 27,000	158.00	95.00
K	27,001 - 33,000	230.00	138.00
L	33,001 - 39,000	320.00	192.00
M	39,001 - 45,000	420.00	252.00
N	45,001 - 51,000	540.00	324.00
O	51,001 - 57,000	690.00	414.00
P	57,001 - 63,000	830.00	498.00
Q	63,001 - 69,000	970.00	582.00
R	69,001 - 73,280	1,050.00	630.00
S	73,281 - 77,000	1,155.00	693.00
T	77,001 - 81,000	1,260.00	746.00

For each vehicle with a gross weight in excess of 81,000 pounds an additional tax of \$36 is imposed for each ton or fraction thereof in excess of 81,000 pounds, subject to provisions of subdivision 12.

Provided however, that on all trucks, except those in this chapter defined as farm trucks and urban trucks, having a gross weight in excess of 18,000 pounds but less than 27,001 pounds, the tax shall be:

(a) For the registration year 1976, 70 percent of the applicable Schedule I or Schedule II of this subdivision;

(b) For the registration year 1977, 80 percent of the applicable Schedule I or Schedule II of this subdivision;

(c) For the registration year 1978, 90 percent of the applicable Schedule I or Schedule II of this subdivision;

(d) For the registration year 1979 and thereafter, 100 percent of the applicable Schedule I or Schedule II of this subdivision.

On vehicles having a gross weight in excess of 27,000 pounds, and used for the transportation of livestock or unprocessed and raw farm products shall be taxed at 90 percent of the Minnesota base rate prescribed by this subdivision under Schedule I during each of the first six years of vehicle life and during the seventh and succeeding years of vehicle life as taken from Schedule II, pro-

vided the gross receipts derived from ~~such~~ use equal or exceed 60 percent of the owner's total gross receipts from the operation of ~~such the~~ vehicle during the 12 month period immediately preceding the date set by law for the reregistration of ~~such the~~ vehicle. The owner shall furnish ~~such~~ information as the commissioner of public safety may require, including sworn statements of fact, and the commissioner of public safety shall thereupon determine whether ~~such the~~ owner comes within the provisions of this paragraph.

If an owner has not used ~~such a~~ vehicle for the transportation of livestock or unprocessed and raw farm products so as to be able to report gross receipts for the 12 month period as herein set forth, ~~he the owner~~ may, nevertheless, apply for registration hereunder and pay the reduced tax and the commissioner of public safety shall, after consideration of the established facts, determine whether ~~such the~~ owner is entitled to have ~~such the~~ registration approved.

If an owner fails to operate under the conditions and limitations herein set forth, ~~he the owner~~ shall immediately notify the commissioner of public safety of ~~such the~~ fact and pay the difference between the scheduled gross weight tax and the reduced tax proportionate to the number of months remaining in the year, 1/12 of the difference for each month or fraction thereof, beginning with the month in which ~~such the~~ operations were discontinued or changed.

If an owner first uses ~~such a~~ vehicle for the transportation of livestock and unprocessed and raw farm products after the tax becomes due without reduction, no adjustment of refund of tax shall be made during that calendar year for reasons of transporting livestock and unprocessed and raw farm products.

All truck-tractors except those ~~herein~~ defined as farm and urban truck-tractors shall be taxed in accord with the foregoing gross weight tax schedule on the basis of the combined gross weight of ~~such the~~ truck-tractor and any semi-trailer or semitrailers which the applicant proposes to combine with the truck-tractor. In addition, to ~~such a~~ gross weight tax imposed on the truck-tractor, each semi-trailer shall be taxed a fee of \$10 for a one year period ~~or \$50 for a five year period whichever the applicant elects.~~

Urban Commercial zone trucks include only all trucks and all truck-tractors and semi-trailers used exclusively in transporting property within the metropolitan area consisting of Hennepin, Ramsey, Scott, Dakota, Anoka, Washington and Carver counties, or within the corporate limits of any city or contiguous cities or within one mile of cities of the first and second class. For the purposes of this clause a land area ceded to the United States of America under General Laws 1889, Chapter 57, is a statutory city. The vehicle shall not be operated outside the metropolitan area or corporate limits of such city or contiguous cities, or beyond one mile of cities of the first and second class; except that the commissioner of public safety may, by special permit, authorize the permanent removal of such vehicle from any registration area to another. The license plates issued therefor shall be plainly marked. On urban trucks and combinations the tax shall be based on total gross weight and shall be 30 percent of the Minnesota base rate prescribed in this subdivision under Schedule I during each of the first six years of vehicle life, but in no event less than \$19, and during the seventh and succeeding years of vehicle life as taken from Schedule II, but in no event less than \$11. In addition to such gross weight tax imposed on the truck-tractor, each semitrailer shall be taxed a fee of \$10 for a one year period or \$50 for a five year period whichever the applicant elects.

Provided that on vehicles used by an authorized local cartage carrier operating under a permit issued pursuant to section 221.296 and whose gross transportation revenue consist of at least 60 percent obtained solely from local cartage carriage, shall be taxed at 90 percent of the prescribed urban truck and combination rates for the life of the vehicle during each year such vehicle is used, provided that the gross revenues obtained from transportation services is obtained from local cartage carriage is at least 60 percent of all revenue obtained from transportation services by said person; and provided further, that said tax shall in no event be less than \$10. and semi-trailers which are:

(1) used by an authorized local cartage carrier operating under a permit issued pursuant to section 221.296 and whose gross transportation revenue consists of at least 60 percent obtained solely from local cartage carriage, and are operated solely within the area defined in section 221.296, subdivision 1; or,

(2) operated by an interstate carrier registered pursuant to section 221.61 or 221.62, or by an authorized local cartage carrier or other carrier receiving operating authority pursuant to chapter 221, and operated solely within a zone exempt from regulation by the Interstate Commerce Commission pursuant to 49 U.S.C. 10526(b).

The license plates issued for commercial zone vehicles shall be plainly marked. Any person operating a commercial zone vehicle outside the zone or area in which its operation is authorized is guilty of a misdemeanor and, in addition to the penalty therefor, shall have the registration of the vehicle as a commercial zone vehicle revoked by the registrar and shall be required to re-register the vehicle at 100 percent of the full annual tax prescribed in the Minnesota base rate schedule, and no part of this tax shall be refunded during the balance of the registration year.

On commercial zone trucks the tax shall be based on the total gross weight of the vehicle and during the first eight years of vehicle life shall be 75 percent of the Minnesota base rate schedule. During the ninth and succeeding years of vehicle life the tax shall be 50 percent of the Minnesota base rate schedule, except as provided in this subdivision.

During the ninth and succeeding years the tax shall be:

(a) for the 1982 registration year, 35 percent of the tax imposed in the Minnesota base rate schedule;

(b) for the 1983 registration year, 40 percent of the tax imposed in the Minnesota base rate schedule;

(c) for the 1984 registration year, 45 percent of the tax imposed in the Minnesota base rate schedule;

(d) for the 1985 registration year, and each succeeding year, 50 percent of the tax imposed in the Minnesota base rate schedule.

Sec. 54. Minnesota Statutes 1980, Section 168.013, is amended by adding a subdivision to read:

Subd. 1i. [URBAN TRUCKS.] On all vehicles registered as urban trucks for the registration year 1981, or any part thereof, and which are not registered as commercial zone trucks for the registration year 1982 and succeeding

years, the tax shall be:

(a) for the registration year 1982, 50 percent of the tax imposed in the Minnesota base rate schedule;

(b) for the registration year 1983, 67 percent of the tax imposed in the Minnesota base rate schedule;

(c) for the registration year 1984, 84 percent of the tax imposed in the Minnesota base rate schedule;

(d) for the registration year 1985, and each succeeding year, 100 percent of the tax imposed in the Minnesota base rate schedule.

Beginning with the registration year 1985, the registrar shall not issue urban license plates.

Sec. 55. Minnesota Statutes 1980, Section 168.12, Subdivision 1, is amended to read:

Subdivision 1. [NUMBER PLATES; VISIBILITY, PERIODS OF ISSUANCE.] The registrar, upon the approval and payment, shall issue to the applicant the number plates required by law, bearing an abbreviation of the state name and the number assigned. The number assigned may be a combination of a letter or sign with figures. The color of the plates and the color of the abbreviation of the state name and the number assigned shall be in marked contrast. The plates shall be lettered, spaced, or distinguished to suitably indicate the registration of the vehicle according to the rules of the registrar, and when a vehicle is registered on the basis of total gross weight, the plates issued shall clearly indicate by letters or other suitable insignia the maximum gross weight for which the tax has been paid. These number plates shall be so treated as to be at least 100 times brighter than the conventional painted number plates. When properly mounted on an unlighted vehicle, these number plates, when viewed from a vehicle equipped with standard headlights, shall be visible for a distance of not less than 1,500 feet and readable for a distance of not less than 110 feet. The registrar shall issue these number plates for the following periods:

(1) Number plates issued pursuant to sections 168.27, subdivisions 16 and 17, and 168.053 shall be for a one year period;

(2) New number plates issued pursuant to section 168.012, subdivision 1, shall be issued to a vehicle for as long as it is owned by the exempt agency and shall not be transferable from one vehicle to another but may be transferred with the vehicle from one tax exempt agency to another; and

(3) Plates issued for passenger automobiles as defined in section 168.011, subdivision 7, shall be issued for the life of the vehicle; and

(4) Plates for any vehicle not specified in clauses (1) and (2), (2) and (3), except for trailers as hereafter provided, shall be issued for a five year period the life of the vehicle. Beginning with number plates issued for the year 1981, plates issued for trailers with a total gross weight of 3,000 pounds or less shall be issued for a four year period the life of the trailer and shall be not more than seven inches in length and four inches in width.

In any year during which these number plates are not issued The registrar shall issue for each registration a reflectorized year plate, tab, or sticker to

designate the year of registration. This ~~plate~~, tab, or sticker shall show the calendar year or years for which issued, and is valid only for that period. Unless the motor vehicle for which a number plate, number, tab, or sticker is issued, is permanently lost, is destroyed, or is removed from the state, no number plate, number, tab, or sticker may be transferred to another motor vehicle during the period for which it is issued.

Notwithstanding any other provision of this subdivision, number plates issued to a vehicle which is used for behind-the-wheel instruction in a driver education course in a public school may be transferred to another vehicle used for the same purpose without payment of any additional fee. The registrar shall be notified of each transfer of number plates under this paragraph, and may prescribe a form for ~~such~~ notification.

Sec. 56. Minnesota Statutes 1980, Section 168.12, Subdivision 2a, is amended to read:

Subd. 2a. [PERSONALIZED LICENSE PLATES.] Personalized license plates shall be issued to any applicant for registration of a passenger automobile, station wagon, van or pickup truck with a gross weight of 9,000 pounds or less, or self-propelled recreational vehicle, upon compliance with all laws of this state relating to registration of the vehicle, and upon payment of a fee of \$50 in addition to the registration tax required by law for the vehicle. In lieu of the numbers assigned as provided in subdivision 1, ~~such~~ personalized license plates shall have imprinted thereon a series of not to exceed any combination of six numbers and letters. When an applicant has once obtained personalized plates, ~~he the applicant~~ shall have a prior claim for similar personalized plates in the next succeeding year that plates are issued if ~~he makes~~ *application is made* for them at least 30 days prior to the first date on which ~~his~~ registration can be renewed. The commissioner of public safety shall adopt rules and regulations in the manner provided by chapter 15, regulating the issuance and transfer of ~~such~~ personalized license plates. No words or combination of letters placed on ~~such~~ personalized license plates may be used for commercial advertising or be of an obscene, indecent or immoral nature, or ~~such as that~~ would offend public morals or decency. The call signals or letters of a radio or television station shall not be construed as commercial advertising for the purposes of this subdivision.

Notwithstanding the provisions of subdivision 1, personalized license plates issued pursuant to this subdivision may be transferred to another motor vehicle upon the payment of a fee of \$5, which fee shall be paid into the state treasury and credited to the highway user tax distribution fund. The registrar may by regulation provide a form for ~~such~~ notification.

The fee prescribed for personalized license plates shall be paid only in those years in which the number plate itself is issued, and shall not be payable in any year in which a year plate, tab or sticker is issued in lieu of a number plate.

All fees from the sale of personalized license plates shall be paid into the state treasury and credited to the highway user tax distribution fund.

Sec. 57. Minnesota Statutes 1980, Section 168.27, Subdivision 16, is amended to read:

Subd. 16. [PLATES, DISTINGUISHING NUMBERS.] (a) The registrar shall issue to every motor vehicle dealer, upon a request from ~~such the~~ motor

vehicle dealer licensed as provided in subdivisions 2 or 3, one or more ~~pair of~~ ~~number~~ plates displaying a general distinguishing number upon the payment of \$10 to the registrar. In addition the dealer shall pay a motor vehicle excise tax of \$15 annually for each ~~pair of~~ ~~dealer plates~~ ~~plate~~ purchased as required by section 297B.035. The registrar shall deposit the tax in the state treasury and it shall be credited to the general fund. Motor vehicles, new or used, owned by ~~such~~ the motor vehicle dealer and bearing ~~such the~~ number ~~plates~~ ~~plate~~, except vehicles leased to the user who is not an employee of the dealer during the term of the lease, held for hire, or customarily used by the dealer as a tow truck, service truck, or parts pickup truck, may be driven upon the streets and highways of this state by ~~such the~~ motor vehicle dealer, or any employee of ~~such the~~ motor vehicle dealer or by any member of the immediate family of ~~such the~~ dealer or employee for either private or business purposes; or may be driven upon the streets and highways for demonstration purposes by any prospective buyer thereof for a period of 48 hours or in the case of a truck, truck-tractor, or semi-trailer, for a period of seven days.

(b) A new or used motor vehicle sold by ~~such the~~ motor vehicle dealer and bearing the motor vehicle dealer's number ~~plates~~ ~~plate~~ may be driven upon the public streets and highways for a period of 72 hours by the buyer for either of the following purposes: (1) Removing the vehicle from this state for registration in another state, or (2) permitting the buyer to use the motor vehicle before ~~he the~~ buyer receives number plates pursuant to ~~his own~~ registration. Use of a motor vehicle by the buyer under the provisions of clause (2) of the preceding sentence before ~~he the~~ buyer receives number plates pursuant to ~~his own~~ registration constitutes a use of the public streets or highways for the purpose of the time requirements for registration of motor vehicles.

Sec. 58. Minnesota Statutes 1980, Section 168.27, Subdivision 17, is amended to read:

Subd. 17. [APPLICATION.] Every licensed dealer in motor vehicles may make application upon a blank provided by the registrar for that purpose for a general distinguishing number for use upon all new or used motor vehicles being transported from the dealer's source of supply, or other place of storage, to ~~his the~~ dealer's place of business, or to another place of storage, or from one dealer to another. A general distinguishing number shall be assigned by the registrar to ~~such the~~ dealer for ~~such that~~ purpose, and the registrar shall then issue to the dealer ~~such the~~ number of ~~pairs of~~ ~~such~~ plates as the dealer may request, upon the payment by the dealer to the registrar of the sum of \$2 per ~~pair~~ ~~plate~~. ~~Such~~ The plates shall be known as "in transit" plates. The registrar may issue ~~such~~ "in transit" plates, upon the payment of the sum of \$2 to the registrar, to dealers duly licensed in other states or provinces upon information furnished ~~him~~ in ~~such the~~ manner as ~~he the~~ registrar may prescribe, and which satisfies ~~him the~~ registrar that persons or companies applying therefor are duly licensed dealers under the laws of ~~such the~~ states or provinces.

Sec. 59. Minnesota Statutes 1980, Section 168.33, Subdivision 7, is amended to read:

Subd. 7. [FEES.] In addition to all other statutory fees and taxes, a filing fee is imposed on every application. The filing fee shall be ~~\$1.50~~ ~~\$2.50~~ effective August 1, ~~1977~~ ~~1981~~, and ~~\$1.75~~ ~~\$3.25~~ effective January 1, ~~1979~~ ~~1983~~. The filing fee shall be shown as a separate item on all registration renewal notices

sent out by the department of public safety.

Sec. 60. Minnesota Statutes 1980, Section 169.09, Subdivision 7, is amended to read:

Subd. 7. [ACCIDENT REPORT TO COMMISSIONER.] The driver of a vehicle involved in an accident resulting in injury to or death of any person or total property damage to an apparent extent of ~~\$300~~ \$500 or more, shall forward a written report of the accident to the commissioner of public safety within ten days thereof. If, in the opinion of the commissioner of public safety, the original report of any driver of a vehicle involved in an accident of which report must be made as provided in this section is insufficient he may require the driver to file supplementary reports.

Sec. 61. Minnesota Statutes 1980, Section 169.451, is amended to read:

169.451 [SCHOOL BUS INSPECTION.]

Subdivision 1. The Minnesota highway patrol shall inspect every school bus ~~at least semiannually~~ annually to ascertain whether its construction, design, equipment, and color comply with all provisions of law.

Subd. 2. No person shall drive, or no owner shall knowingly permit or cause to be driven, any school bus unless there is displayed thereon a certificate issued by the commissioner of public safety stating that on a certain date, which shall be within ~~seven~~ 13 months of the date of operation, a member of the Minnesota highway patrol inspected the bus and found that on the date of inspection the bus complied with the applicable provisions of state law relating to construction, design, equipment, and color. The commissioner of public safety shall provide by rule or regulation for the issuance and display of distinctive inspection certificates.

Subd. 3. Not later than January 1, 1975 the commissioner of public safety shall provide by rule and regulation a point system for evaluating the effect on safety operation of any variance from law detected during school bus inspections conducted pursuant to subdivision 1.

Sec. 62. Minnesota Statutes 1980, Section 169.79, is amended to read:

169.79 [VEHICLE REGISTRATION.]

No person shall operate, drive or park a motor vehicle on any highway unless the vehicle is registered in accordance with the laws of this state and has the number plates for the current year only, as assigned to it by the commissioner of public safety, conspicuously displayed thereon in a manner that the view of any plate is not obstructed. If the vehicle is a motorcycle, motor scooter, motorized bicycle, motorcycle sidecar, trailer, ~~or~~ semitrailer, ~~or vehicle displaying a dealer plate~~, one ~~such~~ plate shall be displayed on the rear thereof; if the vehicle is a truck-tractor or road-tractor, one ~~such~~ plate shall be displayed on the front thereof; if it is any other kind of motor vehicle, one ~~such~~ plate shall be displayed on the front and one on the rear thereof. All plates shall be securely fastened so as to prevent them from swinging. The person driving the motor vehicle shall keep the plate legible and unobstructed and free from grease, dust, or other blurring material so that the lettering shall be plainly visible at all times.

Sec. 63. Minnesota Statutes 1980, Section 169.974, Subdivision 2, is

amended to read:

Subd. 2. [LICENSE REQUIREMENTS.] No person shall operate a motorcycle on any street or highway unless he has a valid standard driver's license with a two-wheeled vehicle endorsement as provided by law. No such two-wheeled vehicle endorsement shall be issued unless the person applying therefor has in possession a valid two-wheeled vehicle instruction permit as provided herein, has passed a written examination and road test administered by the department of public safety for such endorsement, and, in the case of applicants under 18 years of age, shall present a certificate or other evidence of having successfully completed an approved two-wheeled vehicle driver's safety course in this or another state, in accordance with such regulations as the commissioner of public safety shall promulgate. *The commissioner may waive the road test for any applicant if he determines that the applicant possesses a valid license to operate a two-wheeled vehicle issued by a jurisdiction that requires a comparable road test for license issuance.* A two-wheeled vehicle instruction permit shall be issued to any person over 16 years of age, who is in possession of a valid driver's license, who is enrolled in an approved two-wheeled vehicle driver's safety course, and who has passed a written examination for such permit and has paid such fee as the commissioner of public safety shall prescribe. A two-wheeled vehicle instruction permit shall be effective for 45 days, and may be renewed under rules to be prescribed by the commissioner of public safety.

No person who is operating by virtue of a two-wheeled vehicle instruction permit shall:

(a) Carry any passengers on the streets and highways of this state on the motorcycle which he is operating;

(b) Drive the motorcycle at night time;

(c) Drive the motorcycle on any highway marked by the commissioner as an interstate highway pursuant to Title 23 of the United States Code.

(d) Drive the motorcycle without wearing protective headgear of a type approved by the commissioner of public safety.

Notwithstanding the provisions of this subdivision, the commissioner of public safety may, however, issue a special motorcycle permit, restricted or qualified in such manner as he shall deem proper, to any person demonstrating a need therefor and unable to qualify for a standard driver's license.

Sec. 64. Minnesota Statutes 1980, Section 171.13, is amended by adding a subdivision to read:

Subd. 1a. The commissioner may waive the requirement that the applicant demonstrate his ability to exercise ordinary and reasonable control in the operation of a motor vehicle if he determines that the applicant possesses a valid driver's license issued by a jurisdiction that requires a comparable demonstration for license issuance.

Sec. 65. Minnesota Statutes 1980, Section 171.36, is amended to read:

171.36 [LICENSE RENEWAL AND FEES.]

All licenses shall expire one year from date of issuance and may be renewed upon application to the commissioner. Each application for an original or

renewal school license shall be accompanied by a fee of \$75 \$150 and each application for an original or renewal instructor's license shall be accompanied by a fee of \$20 \$50. The license fees collected under this article shall be paid into the trunk highway fund. No license fee shall be refunded in the event that the license is rejected or revoked.

Sec. 66. Minnesota Statutes 1980, Section 173.25, is amended to read:

173.25 [AVAILABILITY OF FEDERAL AID FUNDS.]

The commissioner of transportation shall not be required to expend funds money for the acquisition of advertising devices controlled under this chapter until federal funds are made available to the commissioner for the purpose of carrying out the provisions of this chapter, except those for which acquisition proceedings were begun before June 8, 1979 or for which federal money has been appropriated by Congress and the federal share has been made available to the commissioner. No advertising device legal under Laws 1971, Chapter 883, shall be required to be removed or relocated until payment as provided in Laws 1971, Chapter 883, is tendered by the commissioner of transportation. This section shall not apply to the removal of signs for which no federal share is payable.

Sec. 67. Minnesota Statutes 1980, Section 174.255, is amended by adding a subdivision to read:

Subd. 3. [OPERATOR ASSISTANCE.] A person operating or assisting the operation of a vehicle while employed by a program such as "project mobility" may leave the vehicle to enter premises in order to assist a person who does not require emergency ambulance service to gain access and entrance to the vehicle. The assistance shall include assisting through the first entrance to a building. Operators of the special transportation vehicles shall provide the necessary passenger assistance for door-through-door service. Assistance shall also include assisting wheel chair passengers over any exterior steps essential to either departure or destination buildings, subject to both the steps and the wheelchair being in good repair. If an operator or assistant refuses to assist because of the condition of the steps or the wheelchair, the operator of the service shall send letters to the commissioner of transportation and the person denied service detailing the corrective measures necessary to qualify for service.

Sec. 68. Minnesota Statutes 1980, Section 214.01, Subdivision 3, is amended to read:

Subd. 3. "Non-health related licensing board" means the board of teaching established pursuant to section 125.183, the board of barber examiners established pursuant to section 154.22, the board of cosmetology examiners established pursuant to section 155.04, the board of assessors established pursuant to section 270.41, the board of architecture, engineering, land surveying and landscape architecture established pursuant to section 326.04, the board of accountancy established pursuant to section 326.17, the board of electricity established pursuant to section 326.241, the private detective and protective agent licensing board established pursuant to section 326.33, the board of examiners in watchmaking established pursuant to section 326.541, the board of boxing established pursuant to section 341.01, the board of abstracters established pursuant to section 386.63, and the peace officer stan-

dards and training board established pursuant to section 626.841.

Sec. 69. Minnesota Statutes 1980, Section 214.06, Subdivision 1, is amended to read:

Subdivision 1. Notwithstanding any law to the contrary, the commissioner of health as authorized by section 214.13, all health related licensing boards and all non-health related licensing boards ~~may~~ *shall* by rule, with the approval of the commissioner of finance, adjust any fee which the board is empowered to assess a sufficient amount so that the total fees collected by each board will as closely as possible equal anticipated expenditures during the fiscal biennium, *including the portion of the general support costs and statewide indirect costs of the department providing administrative support services to the board that is attributable to the board.* Examination fees, if any, shall be set by rule so that the total amount of annual examination fee income approximately meets the anticipated cost of administering the examinations during the fiscal biennium. Fee adjustments authorized under this subdivision may be made without a public hearing when the total fees *estimated to be received during the biennium* will not exceed ~~the amount of the direct appropriation~~ *110 percent of the sum of all direct appropriations, transfers in, and salary supplements to the board for the biennium.* All fees received shall be deposited with the state treasurer and credited to the general fund.

Sec. 70. Minnesota Statutes 1980, Section 216B.16, is amended by adding a subdivision to read:

Subd. 1b. When a public utility proposes changes in rates that would increase rates paid by consumers more than \$500,000, the commission shall not approve the change until after requiring the office of administrative hearings to conduct a contested case hearing on, at a minimum, the appropriate rate base, expense and revenue levels for the test year, and the rate of return. If the formal parties to the contested case choose not to cross-examine the testimony presented, it shall be the duty of the commission and its staff to make inquiry of the witnesses presented to ensure that the testimony is well reasoned and constitutes substantial evidence. After a report of the examiner has been issued, the commission may proceed to take action on the proposed rates consistent with the provisions of this section. The commission shall not accept any stipulation that is not agreed to by all intervening parties.

Sec. 71. Minnesota Statutes 1980, Section 216B.62, Subdivision 3, is amended to read:

Subd. 3. The department and commission shall ~~annually, within 90 days after the close of each fiscal year, ascertain quarterly, at least 30 days before the start of each quarter, estimate the total of their expenditures to in the performance of their duties relating to public utilities under Laws 1974, Chapter 429, and shall deduct therefrom all sections 216B.01 to 216B.67, other than amounts chargeable to public utilities under subdivision 2 or section 72.~~ The remainder shall be assessed by the commission and department to the several public utilities in proportion to their respective gross operating revenues from retail sales of gas or electric service within the state during the last calendar year. The assessment shall be paid into the state treasury within 30 days after the bill has been mailed to the several public utilities, which shall constitute notice of the assessment and demand of payment thereof. The total amount which may be assessed to the public utilities, under authority of this

subdivision, shall not exceed one-eighth of one percent of the total gross operating revenues of the public utilities during ~~such~~ the calendar year from retail sales of gas or electric service within the state. *The assessment for the second quarter of each fiscal year shall be adjusted to compensate for the amount by which actual expenditures by the commission and department for the preceding fiscal year were more or less than the estimated expenditures previously assessed.*

Sec. 72. Minnesota Statutes 1980, Section 216B.62, is amended by adding a subdivision to read:

Subd. 6. [ADMINISTRATIVE HEARING COSTS.] Any amounts billed to the commission or the department by the office of administrative hearings for public utility contested case hearings shall be assessed by the commission or the department against the public utility. The assessment shall be paid into the state treasury within 30 days after a bill, which constitutes notice of the assessment and demand for payment of it, has been mailed to the public utility. Money received shall be credited to a special account and is appropriated to the commission or the department for payment to the office of administrative hearings.

Sec. 73. Minnesota Statutes 1980, Section 237.075, is amended by adding a subdivision to read:

Subd. 1b. When a telephone company proposes changes in rates that would increase rates paid by consumers more than \$500,000, the commission shall not approve the change until after requiring the office of administrative hearings to conduct a contested case hearing on, at a minimum, the appropriate rate base, expense and revenue levels for the test year, and the rate of return. If the formal parties to the contested case choose not to cross-examine the testimony presented, it shall be the duty of the commission and its staff to make inquiry of the witnesses presented to ensure that the testimony is well reasoned and constitutes substantial evidence. After a report of the examiner has been issued, the commission may proceed to take action on the proposed rates consistent with the provisions of this section. The commission shall not accept any stipulation that is not agreed to by all intervening parties.

Sec. 74. Minnesota Statutes 1980, Section 237.295, Subdivision 2, is amended to read:

*Subd. 2. The department and commission shall ~~annually, within 90 days after the close of each fiscal year, ascertain~~ quarterly, at least 30 days before the start of each quarter, estimate the total of its expenditures to in the performance of its duties relating to telephone companies, and shall deduct therefrom all other than amounts chargeable to telephone companies under subdivision 1 or section 75. The remainder shall be assessed by the department to the several telephone companies in proportion to their respective gross jurisdictional operating revenues during the last calendar year. The assessment shall be paid into the state treasury within 30 days after the bill has been mailed to the several telephone companies, which shall constitute notice of the assessment and demand of payment thereof. The total amount which may be assessed to the telephone companies, under authority of this subdivision, shall not exceed one-eighth of one percent of the total gross jurisdictional operating revenues during ~~such~~ the calendar year. *The assessment for the second quarter of each fiscal year shall be adjusted to compensate for the amount by which actual**

expenditures by the commission and department for the preceding fiscal year were more or less than the estimated expenditures previously assessed.

Sec. 75. Minnesota Statutes 1980, Section 237.295, is amended by adding a subdivision to read:

Subd. 5. [ADMINISTRATIVE HEARING COSTS.] Any amounts billed to the commission or the department by the office of administrative hearings for telephone contested case hearings shall be assessed by the commissioner or the department against the telephone company. The assessment shall be paid into the state treasury within 30 days after a bill, which constitutes notice of the assessment and demand for payment of it, has been mailed to the telephone company. Money received shall be credited to a special account and is appropriated to the commissioner or the department for payment to the office of administrative hearings.

Sec. 76. Minnesota Statutes 1980, Section 239.10, is amended to read:

239.10 [ANNUAL INSPECTION.]

No fee, unless specially scheduled by The department, shall be charged charge a fee to the owner for the costs of the regular inspection of scales, weights, measures, and weighing or measuring devices. The cost of any other inspection shall be paid by the owner if the inspection is performed at his request, and or if the inspection is made at the request of some other person the cost shall be paid by the owner if and the scale, weight, measure, or weighing or measuring device is found to be incorrect. The department may fix the fees and expenses for all regular inspections and special services. All moneys collected by the division department for its regular inspections, special services, fees, and penalties shall be paid into the state treasury, and credited to the state general fund.

Sec. 77. Minnesota Statutes 1980, Section 239.52, is amended to read:

239.52 [WEIGHTS AND MEASURES FEES.]

The department of public service is directed to shall adjust the schedule of fees for regular and special weights and measures inspections to provide that each type of fee charged shall be sufficient to cover the cost of the special inspection, and that the aggregate of fees collected shall be sufficient to pay for all salaries and other expenses connected with special inspections recover the amount of money appropriated for the weights and measures program, other than the cost of (1) checkweighing or the weighing of prepackaged goods to determine whether the content weight listed on the package is accurate, (2) testing for the quality of petroleum products, (3) inspections or investigations made as a result of a complaint received by the department, if the scale weight, measure, or weighing or measuring device is found to be correct, and (4) court appearances by department personnel on behalf of other governmental agencies. The department of public service shall review and adjust its schedule of fees for regular and special inspections at the end of each six months and have all fees charged approved by the commissioner of administration finance before they are adopted, so as to insure that the fees charged shall be sufficient to pay all the salaries and expenses recoverable costs connected with regular and special inspections during the fiscal year.

Sec. 78. Minnesota Statutes 1980, Section 270.051, Subdivision 2, is

amended to read:

Subd. 2. The commissioner of revenue shall collect five percent of the gross receipts from admission to every *wrestling*, boxing and sparring exhibition other than an amateur *wrestling*, boxing and sparring exhibition held within the state, and five percent of the gross receipts from the lease or sale of radio, motion picture and television rights therein. All complimentary tickets for a *wrestling*, boxing and sparring exhibition other than an amateur *wrestling*, boxing and sparring exhibition presented at any entrance gate shall likewise be assessed for the tax herein provided five percent of the value thereof.

Each person issued a license in accordance with section 341.05, subdivision 2, shall also, within 24 hours after the termination of the telecast or subscription television program, pay to the commissioner five percent of the gross receipts from the sale of tickets of admission or money received from subscription for the showing or exhibiting of the telecast or program. If the *wrestling*, boxing or sparring match, exhibition, or performance shown or exhibited is wholly amateur no payment is due.

Sec. 79. Minnesota Statutes 1980, Section 297B.035, Subdivision 2, is amended to read:

Subd. 2. Motor vehicles which satisfy the definitions of subdivision 1, shall be taxed at a yearly rate of \$15 per ~~set of dealer plates~~ *plate*. This tax shall be paid when dealer plates are purchased and shall be deposited in the state treasury and credited to the general fund. This tax shall be in lieu of any other state sales, excise, or use tax.

Sec. 80. Minnesota Statutes 1980, Section 326.241, Subdivision 3, is amended to read:

Subd. 3. [FEES AND FINANCES; DISPOSITION.] All *license* fees collected under the provisions of sections 326.241 to 326.248 are to be credited to the general fund. ~~The unexpended balance in a special fund of the board as of July 1, 1977, shall be credited to the general fund.~~ The expenses of administering sections 326.241 to 326.248 shall be paid from appropriations made to the board of electricity.

Sec. 81. Minnesota Statutes 1980, Section 326.244, Subdivision 2, is amended to read:

Subd. 2. [PROCEDURE.]

(a) At or before commencement of any installation required to be inspected by the board, the electrical contractor, installer, special electrician, or owner making ~~such~~ the installation shall submit to the board a request for inspection, in a form prescribed by the board, together with a ~~supervisory fee of 50 cents~~ and the ~~inspection~~ fees required for ~~such~~ the installation.

(b) *The fees required are a handling fee and an inspection fee. The handling fee shall be set by the board in an amount sufficient to pay the cost of printing and handling the form requesting an inspection. The inspection fee shall be set by the board in an amount sufficient to pay the actual costs of the inspection and the board's costs in administering the inspection. All fees shall be set pursuant to the procedure of sections 15.041 to 15.052.*

(c) *All handling fees shall be deposited in the general fund. All inspection*

fees collected pursuant to this section shall be deposited by the board in a special revenue bookkeeping account of the treasury and are appropriated to the board for the purpose of compensating contract inspectors for inspections performed, for transfer to the general fund of the portion of the fee representing inspection administration costs, and for making refunds.

(d) If the inspector finds that the installation is not in compliance with accepted standards of construction for safety to life and property as required by section 326.243, ~~he the inspector~~ shall by written order condemn the installation or noncomplying portion thereof, or order service to ~~such the~~ installation disconnected, and shall send a copy of ~~his the~~ order to the board. If the installation or the noncomplying part ~~thereof is such as to~~ will seriously and proximately endanger human life and property, the order of the inspector, when approved by ~~his the inspector's~~ superior, shall require immediate condemnation or disconnection. In all other cases, the order of the inspector shall permit a reasonable opportunity for the installation to be brought into compliance with accepted standards of construction for safety to life and property prior to the effective time established ~~therein~~ for condemnation or disconnection.

(e) Copies of each condemnation or disconnection order shall be served personally or by mail upon the property owner, and the electrical contractor, installer, or special electrician making the installation, and ~~such~~ other persons as the board by rule or regulation may direct. An aggrieved party may appeal any ~~such~~ condemnation or disconnection order by filing with the board a notice of appeal within ten days after ~~(a) (1) service upon him the aggrieved party of the condemnation or disconnection order, if such this service is required, or (b) (2) filing of the order with the board, whichever is later. Thereupon~~ The appeal shall proceed and the order of the inspector shall have ~~such the effect not inconsistent herewith as the order, by its terms, and the rules and regulations of the board may provide provides.~~ The board shall adopt rules ~~or regulations~~ providing procedures for the conduct of ~~such~~ appeals, including provisions for the stay of enforcement of the order of the inspector pending such appeal when justified by the circumstances.

Sec. 82. [TRANSFER OF FUNDS.]

On the effective date of section 81, the commissioner of finance shall transfer from the appropriation to the board in Laws 1979, Chapter 333, Section 33, Subdivision 7, an amount equal to the liability of the board as of the date of transfer for inspection services to be performed. The transfer shall be made to the special revenue bookkeeping account provided in section 81.

Sec. 83. Minnesota Statutes 1980, Section 340.11, Subdivision 14, is amended to read:

Subd. 14. [LICENSE FEES.] The license fees to be paid before the issuance of licenses shall be as provided in clauses (a), (b), (c), (d).

(a) Except as provided in clauses (b), (c), and (d), any manufacturer shall pay to the state annually a license fee of ~~\$5,000~~ \$7,500, and a fee of \$3,000 for each duplicate thereof.

(b) Any manufacturer of wines containing not more than 25 percent of alcohol by volume shall pay to the state annually a fee of \$500.

(c) Except as provided in clauses (a), (b), (d), any wholesaler shall pay to the

state annually a license fee of ~~\$5,000~~ \$7,500, and a fee of \$3,000 for each duplicate thereof.

(d) Any wholesaler of wines containing not more than 25 percent of alcohol by volume shall pay to the state annually a fee of ~~\$500~~ \$750.

(e) The maximum license fee for an "off-sale" license in the cities of the first class shall be the sum of which, together with any occupation tax that may be imposed by a municipality issuing said "off-sale" license, will not exceed the sum of \$1,000 annually; in all cities of over 10,000 population, except cities of the first class, the maximum license fee for an "off-sale" license shall be \$200; in all cities with a population between 5,000 and 10,000 the maximum license fee shall be \$150; in all cities of 5,000 population or less, the maximum license fee shall be \$100. All such license fees for "off-sale" licenses shall be payable to the municipalities issuing the license. Where such licenses shall be issued for less than one year, a fee may be a pro rata share of the annual license fee.

Sec. 84. Minnesota Statutes 1980, Section 340.113, Subdivision 2, is amended to read:

Subd. 2. [LICENSE, APPLICATION, RENEWAL.] Such licenses shall be issued by the commissioner of public safety for the term of one year, and must be renewed annually. Application for such a license shall be made to the commissioner of public safety. The form of application shall contain an agreement on the part of the applicant that he will observe all of the laws of this state relating to the importation and sale of intoxicating liquor, and such other information and statements as the commissioner of public safety may require. Any person who has violated any of the laws of this state relating to intoxicating liquor shall not be entitled to such a license. The fee for each annual license shall be ~~\$150~~ \$300 which shall accompany the application for license.

Sec. 85. Minnesota Statutes 1980, Section 340.119, Subdivision 3, is amended to read:

Subd. 3. It is unlawful for any bottle club or for any business establishment, directly or indirectly, or upon any pretense or by any device, to allow the consumption or display of intoxicating liquor or the serving of any liquid for the purpose of mixing of intoxicating liquor without having first obtained a permit therefor. Such permit may be issued by the commissioner of public safety after approval by the governing body of the county or city, for a period of one year to expire on July 1, next following issuance of such license, upon the payment of ~~\$100~~ \$150 and must be renewed annually on July 1. Application for such permit shall be made to the commissioner of public safety. There is hereby conferred upon the governing body of each county and city in the state the authority to impose, in addition to the fee provided by this subdivision, a local license fee not exceeding \$300 per year, which shall be payable to the county and city imposing the fee.

Sec. 86. Minnesota Statutes 1980, Section 340.402, is amended to read:

340.402 [LICENSES, FEES.]

No person shall engage in business as a brewer or wholesaler of intoxicating malt liquor nor shall any person, directly or indirectly, by any device, manufacture for sale or sell at wholesale any intoxicating malt liquor unless li-

censed to do so by the commissioner.

Application for license shall be made in writing, filed with the commissioner in the form prescribed by him and verified by the applicant or, if a corporation, by one of its officers having knowledge of the facts. At the time of filing an application the applicant shall file with the commissioner his bond and pay the license fee herein provided for.

The annual fees for license are: for a brewer, the sum of ~~\$1,000~~ \$1,250, for a wholesaler, the sum of ~~\$200~~ \$300, and a wholesaler's malt beverage duplicate license the sum of \$15.

A brewer holding a license to manufacture intoxicating malt liquor may sell his products at wholesale without another license.

Sec. 87. Minnesota Statutes 1980, Section 340.493, Subdivision 2, is amended to read:

Subd. 2. [LICENSES; APPLICATION, RENEWAL.] Such licenses shall be issued by the commissioner of public safety for one year and must be renewed annually. The application for such license shall contain an agreement on the part of the applicant that he will observe all laws of this state relating to the importation and taxation of such fermented malt beverages and such other information and statements as the commissioner requires. Any person who has violated any laws of this state relating to fermented malt beverages or intoxicating liquor is not entitled to such license. The fee for each annual license is ~~\$100~~ \$200 which shall accompany the application for license. If an examination of the financial responsibility of any such applicant for license indicates that a bond is necessary for the protection of the revenue, the commissioner may require the applicant to file a bond to be approved by the commissioner, payable to the state in an amount not less than \$1,000 and not more than \$5,000 conditioned upon the payment of all excise taxes to become payable to the state.

Sec. 88. Minnesota Statutes 1980, Section 340.62, is amended to read:

340.62 [CERTAIN LIQUOR REGISTERED.]

No licensed manufacturer or wholesaler shall manufacture or import for sale within the state, any brand of intoxicating liquor such as distilled spirits and wine, or any distilled or vinous liquor designated as a specialty, wherein such liquor is ready for sale for beverage purposes without further processing, unless the label of such brand has been registered with and approved by the commissioner. The commissioner shall hereinafter establish a register for such brand labels, which labels shall be acceptable under the following conditions:

(1) No brand of intoxicating liquor as hereinbefore described shall be manufactured or imported for sale within the state after the passage of this act unless the brand label thereof has been submitted to and approved by the commissioner. The fee for such registration shall be ~~\$40~~ \$20 for each brand label.

(2) The same registration and fee shall be required for any brand of liquor as hereinbefore described which has been manufactured or imported for sale within this state and in which the brand label for such brand has been filed with the commissioner and wherein the sale of such brand has been discontinued within the state by the manufacturer or wholesaler for a period of two years.

(3) After the sale of any brand of intoxicating liquor as hereinbefore de-

scribed has been discontinued within this state for a period of three years by the manufacturer or wholesaler distributing it, said brand and its brand label and any and all registrations thereof in this state shall thereafter be conclusively presumed to have been abandoned by said manufacturer or wholesaler.

(4) The terms "brand" and "brand label," when used herein, shall each be construed to mean and include trademarks and designs used in connection therewith.

(5) All money received by the commissioner under the provisions of this section shall be paid to the state treasurer and such money shall be credited to the general fund.

Sec. 89. Minnesota Statutes 1980, Section 341.01, is amended to read:

341.01 [CREATION.]

There is hereby created the board of *wrestling and boxing*, to consist of seven members, citizens of this state, two of whom shall be public members as defined by section 214.02. Membership terms, compensation of members, removal of members, the filling of membership vacancies, and fiscal year and reporting requirements shall be as provided in sections 214.07 to 214.09. The provision of staff, administrative services and office space; the review and processing of complaints; the setting of board fees; and other provisions relating to board operations shall be as provided in chapter 214 and Laws 1976, Chapter 222, Sections 2 to 7.

Sec. 90. Minnesota Statutes 1980, Section 341.02, is amended to read:

341.02 [LIMITATIONS.]

No member shall directly or indirectly promote any *wrestling, boxing or sparring exhibition* or directly or indirectly engage in the managing of any *wrestler or boxer* or be interested in any manner in any proceeds from any *wrestling or boxing match*.

Sec. 91. Minnesota Statutes 1980, Section 341.04, is amended to read:

341.04 [EXECUTIVE SECRETARY; PERSONNEL.]

The board of *wrestling and boxing* shall have power to appoint, and at its pleasure remove, an executive secretary and prescribe his powers and duties. The executive secretary shall be the executive secretary of the board, but shall not be a member of the board. The board may employ such other personnel as may be necessary in the performance of its duties.

Sec. 92. Minnesota Statutes 1980, Section 341.05, is amended to read:

341.05 [DUTIES.]

Subdivision 1. The board of *wrestling and boxing* shall have charge and supervision of all *professional wrestling exhibitions and boxing and sparring exhibitions* held in the state and have power:

(1) To promulgate rules governing the conduct of *professional wrestling exhibitions and boxing and sparring exhibitions* and the time and place thereof;

(2) To issue licenses to individuals or organizations desiring to promote or conduct *wrestling, boxing or sparring exhibitions*, and to suspend or revoke the licenses at its pleasure; every application for a license shall designate the

territory in which the individual or organization intends to operate, and the license granted shall entitle the licensee to conduct the exhibitions in that territory and in no other.

The commissioner of revenue shall collect five percent of the gross receipts from admission to every *wrestling*, boxing and sparring exhibition other than an amateur *wrestling*, boxing and sparring exhibition held within the state, and five percent of the gross receipts from the lease or sale of radio, motion picture and television rights therein.

All complimentary tickets for a *wrestling*, boxing and sparring exhibition other than an amateur *wrestling*, boxing and sparring exhibition presented at any entrance gate shall likewise be assessed for the tax herein provided five percent of the value thereof. All moneys so collected shall be paid into the state treasury.

Subd. 2. The board of *wrestling* and boxing shall issue a license to a person or organization holding, showing, or exhibiting a simultaneous telecast of any live, current, or spontaneous *wrestling*, boxing or sparring match, exhibition, or performance on a closed circuit telecast or subscription television program viewed within the state, whether originating in this state or elsewhere, and for which a charge is made. Each such person or organization shall apply for such a license in advance of each showing and shall within 24 hours after the termination of such showing furnish the commissioner of revenue a written report, duly verified by an authorized person, showing the number of tickets sold for such showing, the amount of the gross proceeds thereof, and such other matters as the commissioner of revenue may prescribe; and shall also, within 24 hours after the termination of such showing, pay to the commissioner of revenue five percent of the gross receipts from the sale of tickets of admission or moneys received from subscription for the showing or exhibiting of said *wrestling*, boxing or sparring match, exhibition, or performance. If the *wrestling*, boxing or sparring match, exhibition, or performance is wholly amateur no payment is due.

Whoever violates the provisions of this subdivision is guilty of a misdemeanor and may be punished therefor as provided by law. The penalty herein provided is in addition to any other penalty for violation of this subdivision as may be otherwise fixed in this chapter.

Sec. 93. Minnesota Statutes 1980, Section 341.07, is amended to read:

341.07 [LICENSES; RESTRICTIONS.]

Unless revoked by the board, licenses granted hereunder shall authorize the individuals or organizations receiving the same to conduct *professional wrestling exhibitions* or boxing or sparring exhibitions in the community designated therein for the period of time designated therein, subject to the rules of the board and to restrictions as the board may in its discretion incorporate therein. Each license shall contain a statement that *wrestling*, boxing or sparring exhibitions may be held on any Sunday and that no boxing or sparring match shall be of more than 15 rounds, of not to exceed three minutes each, and no *professional wrestling match* shall exceed one hour of continuous action.

Sec. 94. Minnesota Statutes 1980, Section 341.08, is amended to read:

341.08 [EXHIBITIONS; CONSENT REQUIRED.]

The provisions of this chapter are applicable to cities of the first class, but no license shall be issued for the conducting of any *professional wrestling exhibitions* or boxing or sparring exhibitions within the limits of any municipality, except cities of the first class, unless the governing body thereof has first consented to the holding of *professional wrestling exhibitions* or boxing or sparring exhibitions therein; in the event that the license is for the conducting of *professional wrestling exhibitions* or boxing or sparring exhibitions in any county outside the limits of a municipality, such license shall not be issued until the board of county commissioners of the county and also the governing body of the town shall have authorized the holding of *professional wrestling exhibitions* or boxing or sparring exhibitions in such community, and each such license shall designate the particular community in such county where such exhibitions are held. Consent by the governing body of such municipality or by the county board or by the governing board of the town shall be evidenced by a certified copy of a resolution thereof filed with the board. The governing body may revoke the consent any time, and any licenses shall expire 30 days after resolution revoking consent has been filed with the board.

Sec. 95. Minnesota Statutes 1980, Section 341.09, is amended to read:

341.09 [NUMBER OF LICENSES.]

Subdivision 1. Except as provided in subdivisions 2 and 3, only one license for *professional wrestling exhibitions* and one license for *boxing and sparring exhibitions* shall be in force in any municipality or community at any time.

Subd. 2. In any municipality having more than 100,000 and less than 200,000 inhabitants, the board of *wrestling and boxing* may issue one license for amateur and one for professional boxing and sparring exhibitions, and one for *professional wrestling exhibitions*, but ~~both~~ the licenses shall not be issued to the same person.

Subd. 3. In municipalities whose population exceeds 200,000 the board of *wrestling and boxing* may issue one franchise for *professional wrestling exhibitions* and one franchise for *boxing and sparring exhibitions* for every 200,000 population or fraction thereof.

Sec. 96. Minnesota Statutes 1980, Section 341.10, is amended to read:

341.10 [LICENSE FEES.]

The board shall have authority to collect and require the payment of a license fee in an amount set by the board from the owners of franchises or licenses. The board shall require the payment of the fee at the time of the issuance of the license or franchise to the owner. The moneys so derived shall be collected by the board and paid to the state treasurer. The board shall have authority to license all *professional wrestlers and boxers*, managers, seconds, referees and judges and may require them to pay a license fee. All moneys collected by the board from such licenses shall be paid to the state treasurer.

Sec. 97. Minnesota Statutes 1980, Section 341.12, is amended to read:

341.12 [BONDS.]

Before any license other than an amateur *wrestling or boxing* license shall be granted to any person, club, corporation, or organization to conduct, hold or give any *wrestling, boxing or sparring match, or exhibition*, such applicant

therefor shall execute and file with the chairman of the commerce commission a bond in the sum of \$2,500 in cities of the first class and \$1,000 in other communities, to be approved, as to form and sufficiency of the sureties thereof, by the chairman of the commerce commission, conditioned for the payment of the five percent of the total gross receipts and license fees herein provided. Upon the filing and approval of such bond the chairman of the commerce commission shall issue to such applicant for such license a certificate of such filing and approval, which shall be by such applicant filed in the office of the board with its application for such license; and no such license shall be issued until such certificate shall be so filed.

Sec. 98. Minnesota Statutes 1980, Section 341.13, is amended to read:

341.13 [PENALTIES FOR NON-LICENSED EXHIBITIONS.]

Any person or persons who shall send or cause to be sent, published, or otherwise made known, any challenge to fight what is commonly known as a prize fight, or engage in any public *professional wrestling exhibition* or any boxing or sparring match, exhibition, or contest, with or without gloves, for any prize, reward, or compensation, or at which any admission fee is charged directly or indirectly, or go into training preparatory for such fight, exhibition, or contest, or act as a trainer, aider, abetter, backer, umpire, second surgeon, assistant, or attendant at such fight, exhibition, or contest, or in any preparation for the same, and any owner or lessee of any grounds, buildings, or structure of any kind permitting the same to be used for such fight, exhibition, or contest, shall be deemed guilty of a misdemeanor; provided, that this section shall not apply to *wrestling*, boxing or sparring exhibitions held or to be held under license issued by the board of *wrestling and boxing* and in compliance with the rules issued by it.

Sec. 99. Minnesota Statutes 1980, Section 341.15, is amended to read:

341.15 [FAILURE TO REPORT TO THE BOARD.]

When any individual or organization shall fail to make a report of receipts of any contest at the time prescribed by the board of *wrestling and boxing* or to pay the fee herein provided, or when such report is unsatisfactory to the commissioner of finance, he may examine, or cause to be examined, the books and records of such individual or organization, and subpoena and examine, under oath, officers and other persons as witnesses for the purpose of determining the total amount of the gross receipts for any contest and the amount due pursuant to the provisions of this chapter, which amount he may, upon and as the result of such examination, fix and determine. In case of default in the payment of any amount so ascertained to be due, together with the expense incurred in making such examination, for a period of 20 days after notice to such delinquent individual or organization of the amount at which the same may be fixed by the commissioner of finance, such delinquent shall, ipso facto, forfeit and be thereby disqualified from receiving any new license or any renewal of license and, in addition, forfeit to the state of Minnesota the sum of \$500, which may be recovered by the attorney general, in the name of the state, in the same manner as other penalties are by law recovered.

Sec. 100. Minnesota Statutes 1980, Section 360.021, Subdivision 1, is amended to read:

Subdivision 1. [AUTHORITY TO ESTABLISH.] The commissioner is

authorized and empowered, on behalf of and in the name of this state, within the limitation of available appropriations, to acquire, by purchase, gift, devise, lease, condemnation proceedings, or otherwise, property, real or personal, for the purpose of establishing and constructing ~~airports~~, restricted landing areas, and other air navigation facilities; and to acquire in like manner, own, control, establish, construct, enlarge, improve, maintain, equip, operate, regulate, and police such ~~airports~~, restricted landing areas, and other air navigation facilities, either within or without this state; and to make, prior to any such acquisition, investigations, surveys, and plans, ~~to~~. *He may maintain, equip, operate, regulate, and police airports, either within or without this state. He may erect, install, construct, and maintain at such airports facilities for the servicing of aircraft and for the comfort and accommodation of air travelers. and to He may dispose of any such property, airport, restricted landing area, or any other air navigation facility, by sale, lease, or otherwise, in accordance with the laws of this state governing the disposition of other like property of the state. He may not acquire or take over any airport, restricted landing area, or other air navigation facility without the consent of the owner. He shall not acquire any additional state airports nor establish any additional state-owned airports. He may erect, equip, operate, and maintain on any airport buildings and equipment necessary and proper to establish, maintain, and conduct such airport and air navigation facilities connected therewith. He shall not expend money for land acquisition, or for the construction, improvement, or maintenance of airports, or for air navigation facilities for an airport, unless the governmental unit involved has or is establishing a zoning authority for that airport, and the authority has made a good faith showing that it is in the process of and will complete with due diligence, an airport zoning ordinance in accordance with sections 360.061 to 360.074. Notwithstanding the foregoing prohibition, the commissioner may continue to maintain the state owned airport at Pine Creek.*

Sec. 101. Minnesota Statutes 1980, Section 360.021, Subdivision 2, is amended to read:

Subd. 2. [AIRPORT PROTECTION PRIVILEGES.] Where necessary in order to provide unobstructed air space for the landing and taking off of aircraft utilizing airports and restricted landing areas acquired or operated under the provisions of sections 360.011 to 360.076, he is hereby granted authority to acquire, in the same manner as is provided for the acquisition of property for airport purposes, easements through or other interests in air space over land or water, interests in airport hazards outside the boundaries of the airports or restricted landing areas, and such other airport protection privileges as are necessary to insure safe approaches to the landing areas of said airports and restricted landing areas, and the safe and efficient operation thereof. He is also hereby authorized to acquire, in the same manner, the right of easement, for a term of years or perpetually, to place or maintain suitable marks for the daytime marking and suitable lights for the nighttime marking of airport hazards, including the right of ingress and egress to or from such airport hazards for the purpose of maintaining and repairing such lights and marks. This authority shall not be so construed as to limit the right, power, or authority of the state or any municipality to zone property adjacent to any airport or restricted landing area pursuant to any law of this state. *The commissioner shall make maximum use of zoning and easements to eliminate runway and other potential airport hazards rather than land acquisition in fee.*

Sec. 102. Minnesota Statutes 1980, Section 360.305, is amended by adding

a subdivision to read:

Subd. 6. [ZONING REQUIRED.] The commissioner shall not expend money for land acquisition, or for the construction, improvement, or maintenance of airports, or for air navigation facilities for an airport, unless the governmental unit involved has or is establishing a zoning authority for that airport, and the authority has made a good faith showing that it is in the process of and will complete with due diligence, an airport zoning ordinance in accordance with sections 360.061 to 360.074. The commissioner shall make maximum use of zoning and easements to eliminate runway and other potential airport hazards rather than land acquisition in fee.

Sec. 103. Minnesota Statutes 1980, Section 360.305, is amended by adding a subdivision to read:

Subd. 7. [REIMBURSEMENTS.] Reimbursements from municipalities for striping runways shall be deposited in the state airport fund.

Sec. 104. Minnesota Statutes 1980, Section 388.14, is amended to read:

388.14 [CONTINGENT FUND; EXPENSES.]

The county board may set apart yearly a sum, not exceeding ~~\$3,000~~ \$5,000, except in counties containing cities of the first class, where the sum shall not exceed \$7,500, as a contingent fund for defraying necessary expenses not especially provided for by law, in preparing and trying criminal cases, conducting investigations by the grand jury, making contributions to a statewide county attorney's organization, and paying the necessary expenses of the county attorney incurred in the business of the county. All disbursements from such fund shall be made upon written request of the county attorney by auditor's warrant, countersigned by a judge of the district court. Any balance remaining at the end of the year shall be transferred to the revenue fund.

Sec. 105. Minnesota Statutes 1980, Section 388.19, Subdivision 1, is amended to read:

Subdivision 1. [CREATION.] There is hereby created a county attorneys council hereinafter designated as the "council" to be composed of the county attorney from each of the 87 counties and the attorney general of the state of Minnesota. The members shall meet annually in November of each year and, commencing at the annual meeting in November 1973, shall elect a president, a president-elect, a secretary, and a treasurer, and such other officers and directors as the county attorneys council shall determine. Each of these officers shall hold office for a term of one year and until their successors are elected and qualified. The county attorneys council may adopt such rules as are necessary for the carrying out of its duties. A county attorney may designate in writing an assistant who may act in his stead in carrying out any function of the county attorneys council except serving as an officer. The county attorneys council may acquire and hold property, accept gifts, grants, and contributions and ~~expend any such sums so received. The county attorneys council~~ may charge fees for services, for seminars, workshops and publications it conducts and produces. All receipts from these sources shall be deposited in one or more special accounts in the state treasury and are appropriated to the county attorneys council for carrying out the duties described in subdivision 4.

Sec. 106. Minnesota Statutes 1980, Section 414.051, is amended to read:

414.051 [BOARD'S REVIEW OF TOWNSHIPS ACCORDING TO POPULATION.]

After each federal census the board ~~shall~~ *may* determine the townships which have a population in excess of 2,000 exclusive of any municipality or part of a municipality within the township and make recommendations which it deems necessary and reasonable to the board of any such township.

Sec. 107. Minnesota Statutes 1980, Section 462.16, is amended to read:

462.16 [POWER TO ENACT ORDINANCES FOR ENFORCEMENT OF RIGHTS GIVEN TO COUNCIL.]

The council shall have the power to enact ordinances for the enforcement of the rights which shall be acquired under sections 462.12 to 462.17, and to fix penalties for their violation, including a fine not exceeding \$100 or confinement in the city workhouse not exceeding 90 days. Violations of the ordinances may be prosecuted in the municipal court of the city. *Restricted residence districts created pursuant to sections 462.12 to 462.16 shall be subject to the provisions of section 541.023. In construing the scope and effect of a residence district restriction, equitable principles shall be utilized and the following shall be considered: the historic pattern of enforcement or non-enforcement; changed circumstances; the length of time during which current uses have been allowed to exist; the actual impact of current land uses; and detrimental reliance.*

Sec. 108. Laws 1980, Chapter 534, Section 87, is amended to read:

Sec. 87. [EFFECTIVE DATE.]

This act is effective on July 1, ~~1984~~ 1983.

Sec. 109. Laws 1980, Chapter 607, Article XIII, Section 2, Subdivision 3, is amended to read:

Subd. 3. The joint commission shall report its findings and recommendations to the legislature on or before January 1, ~~1982~~ 1984. The report shall cover, but not be limited to, the issues of available corridors and rights-of-way, define necessary physical improvements, make potential ridership projections, and make recommendations for funding of capital and operating costs.

Sec. 110. Laws 1980, Chapter 607, Article XIII, Section 2, Subdivision 5, is amended to read:

Subd. 5. This section is repealed January 1, ~~1982~~ 1984.

Sec. 111. [APPROVAL.]

The implementation of sections 109 and 110 shall be the responsibility of the St. Cloud area planning organization with the assistance of the regional development commission for region 7W, the metropolitan council, and the commissioner of transportation.

Sec. 112. [VARIANCES; TEMPORARY PROVISION.]

If an application by a city for a variance under Minnesota Statutes, Section 162.13, Subdivision 2 proceeds to a contested case hearing, no financial commitment by the state made to a city either before or after the entry of the decision by the hearing examiner shall be reduced in any manner. This section

applies to all variances granted on or after January 1, 1981 and before June 1, 1981.

Sec. 113. [DIRECTION TO REVISOR.]

In the next and subsequent editions of Minnesota Statutes, the revisor of statutes shall substitute the term "director of the office of consumer services" for the term "board of cosmetology" wherever that term appears.

Sec. 114. [REPEALER.]

Minnesota Statutes 1980, Chapter 458B is repealed, effective the day after final enactment pursuant to Minnesota Statutes, Section 645.023, Subdivision 1. This section applies to the governmental units and agencies named in chapter 458B, including the city of St. Paul and the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 115. [REPEALER.]

Minnesota Statutes 1980, Sections 155.01; 155.02; 155.03; 155.04; 155.05; 155.06; 155.08; 155.09; 155.11; 155.12; 155.13; 155.14; 155.15; 155.16; 155.17; 155.18; 155.19; 155.20; 155.205; 155.21; and 239.521, are repealed.

Sec. 116. [EFFECTIVE DATE.]

Section 27 is effective the day following final enactment. Section 51 and sections 53 to 56 are effective retroactively to November 15, 1980."

Delete the title and insert:

"A bill for an act relating to the organization and operation of state government; appropriating money for the department of transportation and for other agencies with certain conditions; providing for the regulation of professional wrestling; imposing a tax on the gross receipts from admission to professional wrestling exhibitions, and on the gross receipts from the lease or sale of radio, motion picture and television rights therein; providing penalties; amending Minnesota Statutes 1980, Sections 12.14; 15.0412; Subdivision 4; 16A.128; 37.17, by adding a subdivision; 43.491, Subdivision 2; 46.131, Subdivision 3; 161.125, Subdivision 1; 161.242, Subdivision 4; 162.09, Subdivision 4; 168.013, Subdivisions 1c and 1e and by adding a subdivision; 168.12, Subdivisions 1 and 2a; 168.27, Subdivisions 16 and 17; 168.33, Subdivision 7; 169.09, Subdivision 7; 169.451; 169.79; 169.974, Subdivision 2; 171.13, by adding a subdivision; 171.36; 173.25; 174.255, by adding a subdivision; 214.01, Subdivision 3; 214.06, Subdivision 1; 216B.16 by adding a subdivision; 216B.62, Subdivision 3 and by adding a subdivision; 237.075 by adding a subdivision; 237.295, Subdivision 2 and by adding a subdivision; 239.10; 239.52; 270.051, Subdivision 2; 297B.035, Subdivision 2; 326.241, Subdivision 3; 326.244, Subdivision 2; 340.11, Subdivision 14; 340.113, Subdivision 2; 340.119, Subdivision 3; 340.402; 340.493, Subdivision 2; 340.62; 341.01; 341.02; 341.04; 341.05; 341.07; 341.08; 341.09; 341.10; 341.12; 341.13; 341.15; 360.021, Subdivisions 1 and 2; 360.305, by adding subdivisions; 388.14; 388.19, Subdivision 1; 414.051; 462.16; Laws 1980, Chapter 534, Section 87; and Chapter 607, Article XIII, Section 2, Subdivisions 3 and 5; proposing new law coded in Minnesota Statutes, Chapter 138; proposing new law coded as Minnesota Statutes, Chapter 155A; repealing Minnesota Statutes 1980, Sections 155.01; 155.02; 155.03; 155.04; 155.05; 155.06;

155.08; 155.09; 155.11; 155.12; 155.13; 155.14; 155.15; 155.16; 155.17; 155.18; 155.19; 155.20; 155.205; 155.21; and 239.521."

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

House Conferees: (Signed) Glen H. Anderson, C. Thomas Osthoff, James P. Metzen, Merlyn O. Valan, Lyle G. Mehrkens

Senate Conferees: (Signed) Marion (Mike) Menning, Clarence M. Purfeerst, Earl W. Renneke, Peter P. Stumpf, George S. Pillsbury

Mr. Willet moved that the foregoing recommendations and Conference Committee Report on H. F. No. 1434 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H. F. No. 1434 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 56 and nays 7, as follows:

Those who voted in the affirmative were:

Ashbach	Dieterich	Kronebusch	Peterson, C. C.	Spear
Bang	Engler	Langseth	Peterson, D. L.	Stern
Belanger	Frank	Lantry	Peterson, R. W.	Stokowski
Benson	Frederick	Lessard	Pillsbury	Stumpf
Berg	Frederickson	Lindgren	Purfeerst	Taylor
Berglin	Hanson	Luther	Ramstad	Ulland
Bernhagen	Hughes	Menning	Renneke	Wegener
Bertram	Humphrey	Moe, R. D.	Rued	Willet
Dahl	Johnson	Nelson	Setzepfandt	
Davies	Keefe	Olhoft	Sieloff	
Davis	Knutson	Pehler	Sikorski	
Dicklich	Kroening	Penny	Solon	

Those who voted in the negative were:

Chmielewski	Petty	Tennessen	Vega	Waldorf
Kamrath	Schmitz			

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

MOTIONS AND RESOLUTIONS - CONTINUED

S. F. No. 690 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S. F. NO. 690

A bill for an act relating to retirement; contributions and benefits of judges and survivors under the uniform retirement and survivors' annuities law; amending Minnesota Statutes 1980, Section 490.124, Subdivisions 9 and 12.

May 13, 1981

The Honorable Jack Davies
President of the Senate

The Honorable Harry A. Sieben, Jr.
Speaker of the House of Representatives

We, the undersigned conferees for S. F. No. 690, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S.F. No. 690 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1980, Section 490.124, Subdivision 9, is amended to read:

Subd. 9. [SURVIVORS' ANNUITY.] Upon the death of a judge prior to retirement, *or upon the death of a person who has qualified for an annuity but who ceases to be a judge prior to retirement and has not received a refund of contributions pursuant to subdivision 12*, his surviving spouse or, if there be no surviving spouse, his dependent children, shall receive an annuity, payable monthly, equal to 60 percent of the normal retirement annuity which would have been payable to the judge *or former judge* had the date of his death been the normal retirement date, provided that the surviving spouse or dependent children shall receive an annuity of not less than 25 percent of the judge's *or former judge's* final average compensation.

If a judge, whose surviving spouse was not entitled to survivors benefits provided solely for judges under statutes in effect prior to January 1, 1974, shall have died prior to retirement on or after May 23, 1973 and before January 1, 1974, his surviving spouse and dependent children, if any, shall be entitled to survivors benefits as provided hereunder as if such judge had died on January 1, 1974.

Sec. 2. Minnesota Statutes 1980, Section 490.124, Subdivision 12, is amended to read:

Subd. 12. [REFUND.] Any person who ceases to be a judge but who does not qualify for a retirement annuity or other benefit under section 490.121 shall be entitled to a refund in an amount equal to all his contributions to the judges' retirement fund plus interest computed to the first day of the month in which the refund is processed based on fiscal year balances at the rate of five percent per annum compounded annually. ~~The surviving spouse, or if there is no surviving spouse, then the estate, of any person who has ceased to be a judge and has died prior to receiving a retirement annuity or other retirement benefits shall be entitled to receive a refund in an amount equal to all the contributions made by the person to the judges retirement fund plus interest computed to the date of death at the rate of five percent per annum compounded annually.~~

Sec. 3. [PUBLIC EMPLOYEES POLICE AND FIRE FUND; CLARIFICATION OF COVERAGE FOR CERTAIN PERSONS.]

Any person who was deemed to be an employee serving on less than a full time basis as a firefighter within the meaning of Minnesota Statutes, Section 353.64, Subdivisions 1 and 3 pursuant to Laws 1980, Chapter 341, Section 7, and who has any period of prior service with the person's current employer as a full time employee of the public works department and who has as part of the person's duties as an employee the secondary responsibility of providing service as a firefighter shall be deemed eligible for pension coverage by the public

employees police and fire fund for that prior service. Any contributions made by the person or on behalf of the person to the public employees retirement association for any period of this prior service shall be transferred to the public employees police and fire fund. If the amount of those contributions were less than those required pursuant to Minnesota Statutes, Section 353.65, Subdivisions 2 and 3, the person shall be entitled on or prior to July 1, 1983 to pay the difference between the amount of employee and employer and employer additional contributions which were actually made and the amount of employee and employer contributions required pursuant to Minnesota Statutes, Section 353.65, Subdivisions 2 and 3, on the actual salary amounts paid, plus interest at the rate of six percent per annum compounded annually from the date payment otherwise would have been made as a regular contribution to the date payment is made. If full required contributions are not transferred or paid subsequent with interest, the person's service credit in the public employees police and fire fund shall be prorated accordingly.

Sec. 4. [SURVIVOR BENEFITS FOR SURVIVORS OF CERTAIN DECEASED TEACHERS.]

Notwithstanding any provision of law to the contrary, any deceased basic member of the teachers retirement association who was born on June 6, 1927, and who died on December 16, 1980, shall be deemed to have completed 30 years of allowable service and to have filed a valid election of a joint and survivor annuity, and the surviving spouse of the deceased member shall be entitled to the second portion of a joint and survivor annuity pursuant to Minnesota Statutes, Section 354.46, Subdivision 2, in lieu of any other survivor benefit which the surviving spouse may be entitled to receive. The survivor annuity pursuant to this section shall accrue on the first day of the month next following the effective date of this section.

Sec. 5. [RETROACTIVE EFFECT OF CERTAIN PROVISIONS.]

Notwithstanding any law to the contrary, the provisions of Minnesota Statutes, Section 352.85, Subdivision 1, shall apply to any former employee of the department of military affairs who has retired from the Minnesota state retirement system subsequent to January 1, 1978 but prior to the effective date of Laws 1980, Chapter 607, Article XV, Section 22. The retirement annuity payable to any person to whom this section applies shall be recomputed in accordance with the provisions of Minnesota Statutes, Section 352.85, Subdivision 1, and the recomputed retirement annuity shall accrue on the first day of the month next following the effective date of this section and shall be payable as soon as practicable thereafter.

Sec. 6. [RETROACTIVE EFFECT OF CERTAIN PROVISIONS.]

Sections 1 and 2 shall apply retroactively to any person living on the effective date of this section who ceased to be a judge prior to retirement and who has not received a refund pursuant to Minnesota Statutes, Section 490.124, Subdivision 12.

Sec. 7. [EFFECTIVE DATE.]

Sections 1, 2 and 6 are effective on July 1, 1981. Sections 3, 4 and 5 are effective on the day following final enactment."

Delete the title and insert:

"A bill for an act relating to retirement; providing survivor benefit coverage for certain former judges on deferred status; clarifying retirement coverage for certain members of the public employees police and fire fund; providing survivor benefits for survivors of certain deceased teachers; providing for retroactive effect of a special retirement program for the military affairs department; amending Minnesota Statutes 1980, Section 490.124, Subdivisions 9 and 12."

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

Senate Conferees: (Signed) Collin C. Peterson, Allan H. Spear, Dennis R. Frederickson

House Conferees: (Signed) Leo J. Reding, John J. Sarna, John R. Kaley

Mr. Peterson, C. C. moved that the foregoing recommendations and Conference Committee Report on S. F. No. 690 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. 690 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 58 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Frederick	Lantry	Peterson, R.W.	Spear
Bang	Frederickson	Lessard	Petty	Stern
Benson	Hanson	Lindgren	Pillsbury	Stokowski
Berg	Hughes	Luther	Purfeerst	Taylor
Bernhagen	Johnson	Menning	Ramstad	Tennessee
Bertram	Kamrath	Moe, R.D.	Renneke	Ulland
Chmielewski	Keefe	Nelson	Rued	Vega
Davies	Knoll	Olhoft	Schmitz	Waldorf
Davis	Knutson	Pehler	Setzepfandt	Wegener
Dieterich	Kroening	Penny	Sieloff	Willet
Engler	Kronebusch	Peterson, C.C.	Sikorski	
Frank	Langseth	Peterson, D.L.	Solon	

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

MEMBERS EXCUSED

Mr. Dicklich was excused from the Session of today at 11:30 a.m. Mr. Chmielewski was excused from the Session of today from 12:00 noon to 6:00 p.m.

COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Moe, R.D. moved that the following members be excused for a meeting of the Committee on Taxes and Tax Laws at 11:30 a.m.

Messrs. Johnson; Peterson, C.C.; Bang; Berg; Ms. Berglin; Messrs. Bernhagen; Chmielewski; Davies; Dieterich; Frederick; Hanson; Merriam; Olhoft; Pehler; Peterson, D.L.; Schmitz; Setzepfandt; Sieloff; Ulland and Vega. The motion prevailed.

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe,

R. D. moved that the Senate revert to the Order of Business of Messages From the House. The motion prevailed.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 1443, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 1443 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 15, 1981

CONFERENCE COMMITTEE REPORT ON H. F. NO. 1443

A bill for an act relating to the organization and operation of state government; appropriating money for the general legislative, judicial, and administrative expenses of state government with certain conditions; providing for the transfer of certain moneys in the state treasury; authorizing land acquisition in certain cases; fixing and limiting the amount of fees to be collected in certain cases; amending Minnesota Statutes 1980, Sections 3.005, Subdivision 3; 3.304, by adding a subdivision; 4.16, by adding subdivisions; 5.08, Subdivision 2; 9.061, Subdivision 5; 11A.20, Subdivision 3; 16A.123; 17.59, by adding a subdivision; 17A.04, Subdivision 5; 17B.15, Subdivision 1; 18.51, Subdivision 2; 18.52, Subdivision 5; 18.54, Subdivision 1; 19.19, Subdivisions 1 and 2; 19.20, Subdivision 4; 27.041, Subdivision 2; 28A.08; 32.075; 32.59; 43.46, Subdivisions 2 and 3; 85.05, Subdivisions 1 and 2; 85.22, Subdivision 2a; 97.49, Subdivision 1; 98.46, Subdivisions 2, 2a, 3, 4, 5, 5a, 6, 7, 8, 9, 9a, 10, 11, 12, 14, 15, 16, 17, 18, 19 and by adding a subdivision; 98.47, Subdivision 1; 98.50, Subdivision 5; 99.28, Subdivision 5; 100.273, Subdivision 7; 100.35, Subdivisions 1 and 5; 101.44; 116C.69, Subdivisions 2 and 2a; 139.16; 139.17; 139.18; 139.19; 176.131, Subdivision 10; 176.183, Subdivision 2; 179.71, Subdivision 2; 179.72, Subdivision 3; 223.03; 223.12, Subdivision 1; 231.16; 232.02, Subdivisions 1, 2, and 3; 233.08; 270.66; 271.02; 284.28, Subdivision 8; 290.431; 299A.03, Subdivisions 1, 8 and 13; 322A.16; 322A.71; 352E.04; 354.43, Subdivision 3; 362.10; 362.12, Subdivisions 1a and 2; 362.121; 362.125; 362.13; 480.0595; 546.27; 638.08; and 648.39; Laws 1976, Chapter 337, Section 1, Subdivisions 2, as amended, 3, and 4, as amended; Laws 1978, Chapter 510, Sections 2 and 5; proposing new law coded in Minnesota Statutes, Chapters 85; 116H; 270; 299A; and 362; repealing Minnesota Statutes 1980, Sections 7.07; 16A.75; 16A.751; 16A.752; 16A.753; 16A.754; 168B.11; 299A.03, Subdivisions 1, 2, 3, 5, 6, 7, 9, 10, 11 and 14; 362.07; 362.08; 362.09; 362.11; 362.12, Subdivisions 3 and 4; 362.23; 362.45, Subdivision 2; 363.073, Subdivisions 1 and 2; 473.56, Subdivision 15; 648.45; 648.46; Laws 1976, Chapter 337, Section 4, as amended; and Laws 1978, Chapter 510, Section 10.

May 15, 1981

The Honorable Harry A. Sieben, Jr.
Speaker of the House of Representatives

The Honorable Jack Davies
President of the Senate

We, the undersigned conferees for H. F. No. 1443, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H.F. No. 1443 be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [STATE DEPARTMENTS; APPROPRIATIONS.] The sums set forth in the columns designated "APPROPRIATIONS" are appropriated from the general fund, or any other fund designated, to the agencies and for the purposes specified in the following sections of this act, to be available for the fiscal years indicated for each purpose. The figures "1981", "1982", and "1983", wherever used in this act, mean that the appropriation or appropriations listed thereunder are available for the year ending June 30, 1981, June 30, 1982, or June 30, 1983, respectively.

SUMMARY BY FUND

	1981	1982	1983	TOTAL
General	\$	\$602,749,000	\$686,299,600	\$1,289,048,600
Special	156	2,650,400	2,643,100	5,293,656
Game and Fish	32,271	22,336,200	22,968,900	45,337,371
Park Maintenance and Operation		2,400,500	2,400,500	4,801,000
Tr. Hwy.	548,627	2,010,000	2,010,000	4,568,627
Hwy. Ustr.	1,655	1,109,100	1,127,200	2,237,955
TOTAL	\$582,709	\$633,255,200	\$717,449,300	\$1,351,287,209

APPROPRIATIONS
Available for the Year
Ending June 30
1982 1983

Sec. 2. [LEGISLATURE.]

Subdivision 1. Total for this section	\$24,064,800	\$27,054,100
Subd. 2. House of Representatives	11,463,000	12,496,000
Subd. 3. Senate	7,176,900	8,248,400
Subd. 4. Legislative Coordinating Commission	3,243,900	4,086,200

The amounts that may be expended from this appropriation for each activity are as follows:

General Support	1982	1983
\$	125,700	\$ 93,500

	1982	1983
	\$	\$
Legislative Reference Library		
\$ 402,900	\$ 455,500	

Revisor of Statutes		
\$ 2,089,000	\$ 2,842,500	

The appropriation in Laws 1980, Chapter 614, Section 3, Clause (b) for the unpublished laws is also available to match money from a private foundation. This paragraph is effective the day following final enactment.

The unencumbered balance in the Minnesota Statutes Revolving Fund on June 30, 1981 shall be transferred to the general fund.

Legislative Committee on Science and Technology		
\$ 105,900	\$ 125,300	

Advisory Council on the Economic Status of Women		
\$ 89,900	\$ 101,100	

Great Lakes Commission		
\$ 37,000	\$ 38,500	

Legislative Commission on Pensions and Retirement		
\$ 120,000	\$ 134,800	

Legislative Commission on Employee Relations		
\$ 100,000	\$ 100,000	

Legislative Commission to Review Administrative Rules		
\$ 83,500	\$ 95,000	

Legislative Commission on Waste Management		
\$ 80,000	\$ 90,000	

Mississippi River Parkway Commission		
\$ 10,000	\$ 10,000	

This appropriation is from the trunk highway fund.

Subd. 5. Legislative Audit Commission	2,181,000	2,223,500
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The amounts that may be expended from this appropriation for each activity are as follows:

Legislative Audit Commission		
\$ 15,000	\$ 15,000	

Legislative Auditor		
\$ 2,166,000	\$ 2,208,500	

Sec. 3. SUPREME COURT

	1982	1983
	\$	\$
General Operations and Management	4,509,700	4,821,400

The amounts that may be expended from this appropriation for each program are as follows:

Supreme Court Operations

\$ 2,305,000 \$ 2,328,900

State Court Administrator

\$ 1,776,200 \$ 2,049,800

Of this amount, \$200,000 the second year is available for judicial district computer hardware costs. This appropriation shall be expended with the approval of the governor after consultation with the legislative advisory commission pursuant to section 3.30.

This appropriation includes \$50,000 the first year and \$50,000 the second year to enable the judicial planning council (JPC) to study alternative dispute resolution programs and to award grants to local government agencies and non-profit organizations based upon the JPC's determination that such grants will provide accessible, cost-effective resolution of disputes, utilizing neighborhood, local and community resources (including volunteers and available space in public facilities). The JPC will report to the legislature by October 1, 1983, the types of programs which provide convenient access to effective, inexpensive and expeditious alternative dispute resolution. The legislative auditor may conduct periodic post-award audits as may be requested by the JPC and approved by the legislative audit commission. If the appropriation for either year is insufficient, the appropriation for the other year is available.

To facilitate the review process established in Minnesota Statutes, Section 546.27, the director of the state justice information system shall notify the executive secretary of the state board on judicial standards whenever a matter exceeds 90 days without a disposition.

If the appropriation for the state court administrator for either year is insufficient, the appropriation for the other year is available for it.

State Law Library

\$ 428,500 \$ 442,700

Included in this appropriation is \$29,200 the first year and \$29,200 the second year for an additional librarian to act as a liaison with county law libraries. By June 30, 1982, at least one-half of the county law libraries receiving

	1982	1983
	\$	\$
this service shall agree to provide funding equal to or exceeding the appropriation for the second year of this program or the appropriation for the second year shall cancel. This revenue shall be deposited into the general fund.		

Sec. 4. STATE COURTS

General Operations and Management	11,729,750	11,770,850
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The amounts that may be expended from this appropriation for each program are as follows:

District and County Court Judges

\$11,328,250	\$11,366,850
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Included in this appropriation is \$21,250 the first year and \$21,250 the second year for judges' membership dues in state and local judges' associations.

District Court Administrators

\$ 519,800	\$ 522,600
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If an appropriation in this section for either year is insufficient, the appropriation for the other year is available for it.

General Reduction

(\$ 118,300)	(\$ 118,600)
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The amounts appropriated for the several programs and activities each year shall be reduced by the amount of the general reduction so that the total appropriated for all programs and activities does not exceed the amount appropriated for general operations and management for that year.

Sec. 5. BOARD ON JUDICIAL STANDARDS

113,500	118,600
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Approved Complement - 2.0

If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

Sec. 6. BOARD OF PUBLIC DEFENSE

343,100	343,400
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This appropriation includes \$340,000 the first year and \$340,000 the second year to assist in the provision of criminal and juvenile defense to indigent individuals, allocated as follows:

St. Paul-Neighborhood Justice Center, Inc.

For cases arising in Ramsey county.

\$ 95,000	\$ 95,000
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Minneapolis-Legal Rights Center, Inc.

For cases arising in Hennepin county.

\$ 55,000	\$ 55,000
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	1982	1983
	\$	\$
Duluth-Duluth Indian Legal Assistance Program		
For cases arising in St. Louis and Mille		
Lacs counties:		

\$ 85,000	\$ 85,000
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Cass Lake-Leech Lake Reservation Criminal and Juvenile Defense Corp.

For cases arising in Cass, Itasca, Hubbard, and Beltrami counties.

\$ 52,500	\$ 52,500
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White Earth-White Earth Reservation Criminal and Juvenile Defense Corp.

For cases arising in Mahnomen, Becker, and Clearwater counties.

\$ 52,500	\$ 52,500
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The legislative auditor may conduct periodic post-award audits of these grants as may be requested by the judicial council and approved by the legislative audit commission.

Sec. 7. PUBLIC DEFENDER

General Operations and Management	792,000	809,100
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Approved Complement - 25

The amounts that may be expended from this appropriation for each activity are as follows:

Public Defender Operations

\$ 587,800	\$ 602,200
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Legal Assistance to Minnesota

Prisoners

\$ 127,200	\$ 128,800
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Legal assistance to Minnesota prisoners shall serve the civil legal needs of persons confined to state institutions.

None of this appropriation shall be used to pay for lawsuits against public agencies or public officials to change social or public policy.

Legal Advocacy Project

\$ 77,000	\$ 78,100
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Sec. 8. TAX COURT OF APPEALS	298,700	304,200
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Approved Complement - 6

Sec. 9. CONTINGENT ACCOUNTS	7,818,000	7,617,000
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The amounts that may be expended from this appropriation are more specifically described in the following subdivisions of this section.

Subdivision 1. The appropriations in this section shall be expended with the approval of the governor after consultation with the legislative ad-

	1982	1983
	\$	\$

visory commission pursuant to section 3.30.

If an appropriation in this section for either year is insufficient, the appropriation for the other year is available for it.

Subd. 2. General Purposes	4,000,000	4,170,000
(a) General Fund		
\$ 3,250,000	\$ 3,420,000	
(b) Game and Fish Fund		
\$ 100,000	\$ 100,000	
(c) Trunk Highway Fund		
\$ 400,000	\$ 400,000	
(d) Highway User Tax		
Distribution Fund		
\$ 250,000	\$ 250,000	

Subd. 3. Fuel and Utilities	3,468,000	3,447,000
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For increased costs due to increased prices for fuel and utilities purchased by state agencies.

(a) General Fund		
\$ 2,143,000	\$ 2,122,000	
(b) Game and Fish Fund		
\$ 125,000	\$ 125,000	
(c) Trunk Highway Fund		
\$ 1,200,000	\$ 1,200,000	

Subd. 4. Unemployment Compensation	350,000	
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This appropriation is available to pay unemployment compensation costs when an agency has utilized all other available resources.

Sec. 10. GOVERNOR

General Operations and Management	1,654,600	1,683,800
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The amounts that may be expended from this appropriation for each program are as follows:

Executive Operations		
\$ 1,461,200	\$ 1,490,400	

This appropriation includes \$200,000 the first year and \$205,000 the second year for the office of lieutenant governor.

Of this appropriation, \$15,000 the first year and \$15,000 the second year is for personal expenses connected with the office of the governor.

\$5,900 the second year is for the official governor's portrait.

\$16,400 the first year and \$17,800 the second year is for the committee on appointments.

	1982	1983
	\$	\$
Interstate Representation and Cooperation		
\$ 193,400	\$ 193,400	

\$22,300 the first year and \$22,300 the second year is for the Great Lakes Basin Commission - State Share.

\$71,000 the first year and \$71,000 the second year is for the Upper Great Lakes Regional Commission - State Share.

\$49,500 the first year and \$49,500 the second year is for the Upper Mississippi Basin Commission - State Share.

\$50,600 the first year and \$50,600 the second year is for the National Governors Association.

If federal funding is eliminated by congressional action for any of the commissions, the corresponding state funding shall cancel to the general fund.

Sec. 11. SECRETARY OF STATE

General Operations and Management	975,500	1,206,800
Approved Complement - 35		

The amounts that may be expended from this appropriation for each activity are as follows:

Elections and Publications		
\$ 211,100	\$ 519,900	

Uniform Commercial Code		
\$ 71,200	\$ 85,400	

Business Services		
\$ 387,000	\$ 360,500	

Administration		
\$ 284,900	\$ 239,400	

\$50,000 the first year is for a study of the feasibility, costs, and benefits of computerizing the records of the office of secretary of state, and for the preparation of a design and plan for development of a computerized system if the study shows that the system is feasible. The secretary of state shall consider use of the system evaluation and development methodology developed by the commissioner of administration pursuant to Minnesota Statutes, Section 16.955, but this project is not subject to the requirements of that section. The system design and plan for development shall not be prepared until the results of the feasibility study have been reported to the chairmen of the senate finance committee and

1982 1983
\$ \$

the house appropriations committee and the chairmen have made their recommendations on it. The recommendations are advisory only. Failure or refusal to make a recommendation promptly is deemed a negative recommendation.

Fiscal Operations
\$ 51,300 \$ 51,600

General Reduction
(\$ 30,000) (\$ 50,000)

The amounts appropriated for the several programs and activities each year shall be reduced by the amount of the general reduction so that the total appropriated for all programs and activities does not exceed the amount appropriated for general operations and management for that year.

The secretary of state may transfer unencumbered balances not specified for a particular purpose among the above activities. Transfers shall be reported forthwith to the committee on finance of the senate and the committee on appropriations of the house of representatives.

Sec. 12. STATE AUDITOR	255,400	258,000
Approved Complement - 122		
General - 7.5		
Revolving - 114.5		

During the two year period ending June 30, 1983, the commissioner of finance shall not approve any rate increase for the state auditor beyond those in effect January 1, 1981 except for adjustments necessitated by negotiated salary increases.

Sec. 13. STATE TREASURER	900,900	901,000
	1982	1983
Approved Complement -	31	29

The amounts that may be expended from this appropriation for each activity are as follows:

Treasury Management
\$ 549,700 \$ 549,100

Property and Escheat Claims
\$ 351,200 \$ 351,900

Sec. 14. ATTORNEY GENERAL

General Operations and Management	10,789,500	11,763,300
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	1982	1983
	\$	\$

Approved Complement - 288

General - 283

Federal - 5

The amounts that may be expended from this appropriation for each activity are as follows:

Public Administration

\$ 1,409,600	\$ 1,552,700
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Public Resources

\$ 2,630,500	\$ 2,874,200
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Public Assistance

\$ 1,348,600	\$ 1,485,300
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Public Protection

\$ 2,800,800	\$ 3,072,100
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\$298,000 the first year and \$310,200 the second year is for costs and expenses incurred by the attorney general in enforcing and making claims under state and federal antitrust laws. The attorney general shall report the purposes for which this money is utilized. The reports shall be made to the committee on finance of the senate and the committee on appropriations of the house of representatives at the end of each fiscal year. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

Legal Policy and Administration

\$ 2,830,100	\$ 3,023,900
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Of this appropriation, \$50,000 the first year and \$50,000 the second year is for a special account for unanticipated legal expenses. If the appropriation for either year is insufficient, the appropriation for the other years is available for it.

General Reduction

(\$ 230,100)	(\$ 244,900)
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The amounts appropriated for the several programs and activities each year shall be reduced by the amount of the general reduction so that the total appropriated for all programs and activities does not exceed the amount appropriated for general operations and management for that year.

The attorney general may transfer unencumbered balances not specified for a particular purpose among the above activities. Transfers shall be reported forthwith to the committee on finance of the senate and the committee on appropriations of the house of representatives.

	1982	1983
Sec. 15. EXECUTIVE COUNCIL	\$ 1,000,000	\$ 1,000,000

For expenses in emergencies pursuant to Minnesota Statutes, Section 9.061.

Sec. 16. INVESTMENT BOARD	1,173,900	1,103,900
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Approved Complement - 30

Any unencumbered balance remaining in the first year does not cancel but is available for the second year of the biennium.

Sec. 17. ADMINISTRATIVE HEARINGS

Approved Complement
Revolving - 25.5

Sec. 18. ADMINISTRATION

General Operations and Management	17,441,500	19,150,300
Approved Complement -	910	
General -	454	
Special -	11	
Revolving -	445	

The amounts that may be expended from this appropriation for each program are as follows:

Management Services
\$ 3,767,800 \$ 3,964,000

Real Property Management
\$ 8,780,300 \$ 9,303,300

The department shall receive the assistance of the Freshwater Biological Institute in a program of Dutch elm disease treatment in the capitol area.

The central motor pool revolving account may be used to provide material transfer services to departments and agencies of the state government.

The commissioner of administration shall charge the department of transportation and the iron range resources and rehabilitation board for engineering services performed on behalf of these agencies.

State Agency Services
\$ 1,534,600 \$ 1,561,500

The commissioner of administration may lease portions of the federal surplus property building not needed for that activity to any state agency or activity. Notwithstanding the provisions of any other law to the contrary, all moneys collected shall be deposited into the surplus property revolving fund and are reappropriated for the purposes of that fund.

	1982	1983
	\$	\$

Any unexpended balance of the \$61,500 appropriated in Laws 1979, Chapter 333, Section 18, for the reduction of obligations shall remain available for expenditure as provided in that section through June 30, 1982. If the surplus property revolving fund is abolished prior to June 30, 1982, any portion of the \$61,500 that is outstanding shall be immediately returned to the general fund.

Public Services

\$ 2,862,700	\$ 3,867,900
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The handicapped accessibility function in the state building code activity shall be continued at the fiscal year 1981 level.

\$47,832 the first year and \$52,615 the second year is for the state contribution to the National Conference of State Legislatures.

\$32,000 the first year and \$34,200 the second year is for expenses of the Citizens Advisory Task Force on the Boundary Waters Canoe Area.

\$240,000 the first year and \$240,000 the second year is for block grants to public television stations.

\$100,000 the first year and \$100,000 the second year is for matching grants to public television stations.

\$125,000 the first year and \$125,000 the second year is for grants to public radio stations pursuant to Minnesota Statutes, Section 139.19.

Any unencumbered balance remaining in the first year for grants to public television or radio stations does not cancel but is available for the second year of the biennium.

\$4,000 the first year and \$4,000 the second year is for the state employees' band.

COFARS shall be a priority for IISAC.

General Support

\$ 947,400	\$ 958,100
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The commissioner of administration with the approval of the commissioner of finance may transfer unencumbered balances not specified for a particular purpose among the above programs. Transfers shall be reported forthwith to the committee on finance of the senate and the committee on appropriations of the house of representatives.

	1982	1983
	\$	\$
General Reduction		
(\$ 451,300)		(\$ 504,500)

The amounts appropriated for the several programs and activities each year shall be reduced by the amount of the general reduction so that the total appropriated for all programs and activities does not exceed the amount appropriated for general operations and management for that year.

Sec. 19. CAPITOL AREA ARCHITECTURAL AND PLANNING BOARD	80,100	82,700
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Approved Complement - 2

Projects that are within the area under the jurisdiction of the capitol area architectural and planning board and are funded in total with federal money shall not be approved by the governor until a recommendation is received from the legislative advisory commission.

Sec. 20. FINANCE

General Operations and Management	5,707,100	5,877,800
	1982	1983
Approved Complement -	127	124

The amounts that may be expended from this appropriation for each program are as follows:

Financial Operations
\$ 3,614,900 \$ 3,701,900

Budget and Control
\$ 1,055,200 \$ 1,139,600

Financial Management
\$ 421,400 \$ 426,500

General Support
\$ 643,200 \$ 665,300

\$48,200 the first year and \$52,500 the second year is for the state contribution to the Council of State Governments.

\$7,400 the first year and \$7,400 the second year is for the expenses of the Interstate Cooperation Commission.

General Staff Reduction
(\$ 27,600) (\$ 55,500)

The amounts appropriated for the several programs and activities each year shall be reduced by the amount of the general staff reduction so that the total appropriated for all programs and activities does not exceed the amount appro-

	1982	1983
	\$	\$
appropriated for general operations and management for that year.		

The commissioner of finance may transfer unencumbered balances among the above programs. Transfers shall be reported forthwith to the committee on finance of the senate and the committee on appropriations of the house of representatives.

Sec. 21. EMPLOYEE RELATIONS

General Operations and Management	3,194,200	3,263,800
Approved Complement -	111	
General -	103	
Special -	7	
Federal -	1	

The amounts that may be expended from this appropriation for each program are as follows:

Personnel Technical Services
 \$ 1,187,900 \$ 1,215,300

Human Resource Improvement
 \$ 657,800 \$ 675,100

Each state department shall have a plan approved by the commissioner of personnel to use 50 percent of its training money, or the same percentage of its training money that its schedule "C" civil service employees are of its total number of departmental employees, whichever is less, for special career training programs for schedule "C" civil service employees. The money shall be used only for this purpose.

Labor Relations
 \$ 478,200 \$ 486,400

Administration and Special Services
 \$ 919,000 \$ 936,700

Included in the appropriation for the first year is \$31,300 for completion of the two-year job sharing pilot program. This amount is not subject to the general reduction.

General Reduction
 (\$ 48,700) (\$ 49,700)

The amounts appropriated for the several programs and activities each year shall be reduced by the amount of the general reduction so that the total appropriated for all programs and activities does not exceed the amount appropriated for general operations and management for that year.

1982 1983
\$ \$

The commissioner of employee relations with the approval of the commissioner of finance may transfer unencumbered balances among the above programs. Transfers shall be reported forthwith to the committee on finance of the senate and the committee on appropriations of the house of representatives.

Sec. 22. REVENUE

General Operations and Management	27,220,400	27,633,200
	1982	1983
Approved Complement -	948	942

The complement number includes 30 unfunded positions.

The amounts that may be expended from this appropriation for each program are as follows:

Revenue Management	\$ 8,125,300	\$ 8,282,700
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Income, Sales, and Use Tax Management	\$14,745,900	\$15,207,300
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During the biennium ending June 30, 1983, the commissioner of revenue shall establish within the department of revenue a special project to be known as "Project Fair Share." The project shall attempt to locate individuals who have unreported or underreported Minnesota income or have not filed a Minnesota income tax return; to locate corporations doing business in Minnesota which have unreported or underreported Minnesota income or failed to file a Minnesota income tax return; to locate estates that have unreported or underreported Minnesota income or whose personal representatives have failed to file a Minnesota income tax return; to locate Minnesota residents who attempt to evade Minnesota income taxes by establishing a false residency in another state; and to locate any other cases in which any tax owed to the state is unpaid or underpaid. Personnel operating the project shall then take appropriate action to obtain payment of the taxes, interest, and penalty, and to seek criminal or civil action in appropriate cases.

The commissioner of revenue shall report to the chairman of the senate finance committee and the chairman of the house of representatives appropriations committee by March 1, 1983. The report shall state the amount of taxes recovered as a result of Project Fair Share, a breakdown of the various groups of cases and taxes recovered by group, the total cost of the project, and other

	1982	1983
	\$	\$
relevant information requested by either chairman or suggested by the commissioner.		
Property and Special Taxes Management		
\$ 4,514,000	\$ 4,461,400	
Assessors Board		
\$ 118,200	\$ 126,900	
General Staff Reduction		
(\$ 156,400)	(\$ 314,500)	

The amounts appropriated for the several programs and activities each year shall be reduced by the amount of the general staff reduction so that the total appropriated for all programs and activities does not exceed the amount appropriated for general operations and management for that year.

No more than one-half of the general staff reduction shall be in the tax payers assistance project.

General Reduction
(\$ 126,600) (\$ 130,600)

The amounts appropriated for the several programs and activities each year shall be reduced by the amount of the general reduction so that the total appropriated for all programs and activities does not exceed the amount appropriated for general operations and management for that year.

None of the appropriation for the development of computer systems shall be expended until the commissioner of revenue has submitted to the legislature a report on the actions taken to correct the management and performance deficiencies identified in the legislative auditor's program evaluation and a plan for the development of new computer systems and has received the recommendations of the chairmen of the committee on finance of the senate and the committee on appropriations of the house of representatives on the report and the plan.

When projects for computer systems have been approved in writing by the commissioner of revenue, the commissioner may cause funds to be encumbered in the state accounting system and the encumbered funds shall not cancel at the end of the fiscal year but shall be available for the approved project only, for a period not exceeding one year or until the approved project has been completed, whichever is shorter.

1982 1983
\$ \$

After the commissioner of revenue begins to expend the appropriation, he shall prepare a report every three months describing the progress made and the money expended in developing computer systems. The report shall be submitted to the committee on finance of the senate and the committee on appropriations of the house of representatives.

The commissioner of revenue with the approval of the commissioner of finance may transfer unencumbered balances among the above programs. Transfer shall be reported forthwith to the committee on finance of the senate and the committee on appropriations of the house of representatives.

Sec. 23. AGRICULTURE

General Operations and Management

14,881,900 11,460,900

	1982	1983
Approved Complement -	514	496
General -	233	215
Special/Revolving -	265	265
Federal -	16	16

The amounts that may be expended from this appropriation for each program are as follows:

Agricultural Protection Service
\$ 5,574,700 \$ 3,620,400

\$2,000,000 the first year shall be transferred to the grain inspection account as working capital, and shall be repaid from the grain inspection account when inspection fee receipts permit. At least \$1,000,000 shall be repaid by June 30, 1982, and the remainder by June 30, 1983.

The commissioners of agriculture and finance shall review the fees for all inspections, licenses and audits administered by the commissioner of agriculture. The commissioners shall make recommendations on the appropriate fee levels, the time interval upon which the fee levels should be reassessed, and the need for statutory changes to update fees on a timely basis. These recommendations shall be submitted to the committees on agriculture and appropriations in the house of representatives and to the committees on agriculture and environment and finance in the senate by January 1, 1982.

Agricultural Promotion

\$ 2,786,000 \$ 3,506,200

1982

1983

\$ 111,700 the first year and \$115,800 the second year is from the commodities research and promotion account in the special revenue fund.

\$2,100,000 the first year and \$2,800,000 the second year is for family farm security interest payment adjustments. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

Administration and
Financial Aids Service

\$ 6,686,800 \$ 4,667,300

\$335,000 the first year and \$335,000 the second year is for aid to county and district agricultural societies.

Of this amount, \$4,500 the first year and \$4,500 the second year is for livestock premiums to county fair associations for carrying on boys' and girls' club work.

This amount shall be disbursed according to Minnesota Statutes, Section 38.02.

Out of this amount, \$1,000 the first year and \$1,000 the second year shall be available for agricultural aid to the Red Lake Band of Chippewa Indians, to be expended as may be directed by the Indian council for the purpose of encouraging activities and arts that will advance the economic and social interest of their people and particularly to promote a program of agricultural development that will utilize to the greatest possible extent the lands and forest owned by them. This appropriation may be used to help maintain an agricultural extension service, to promote 4-H club work, or for premiums for the competitive display of exhibits at any fair or exposition that may be arranged under the direction of the council.

\$10,000 the first year and \$10,000 the second year is for payment of claims relating to livestock damaged by endangered animal species.

\$4,536,300 the first year and \$2,463,700 the second year is for the shade tree disease control program. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

General Staff Reduction

(\$ 165,600) (\$ 333,000)

The amounts appropriated for the several programs and activities each year shall be reduced

	1982	1983
	\$	\$

by the amount of the general staff reduction so that the total appropriated for all programs and activities does not exceed the amount appropriated for general operations and management for that year.

The commissioner of agriculture with the approval of the commissioner of finance may transfer unencumbered balances not specified for a particular purpose among the above programs. Transfers shall be reported forthwith to the committee on finance of the senate and the committee on appropriations of the house of representatives.

Sec. 24. BOARD OF ANIMAL HEALTH

General Operations and Management	1,280,300	1,314,500
Approved Complement -	40	

This appropriation includes \$40,000 each year for payment of indemnities. If the appropriation for indemnities for either year is insufficient, the appropriation for the other year is available for it. Indemnities of less than \$1 shall not be paid.

Sec. 25. NATURAL RESOURCES

General Operations and Management	67,565,600	69,351,300
Approved Complement -	1589	
General -	982	
Special -	28	
Game and Fish -	504	
Federal -	73	
Gifts -	2	

Of this appropriation, \$41,878,900 for the first year and \$43,031,900 for the second year are from the general fund; \$500,000 the first year and \$500,000 the second year is from the consolidated conservation area account in the special revenue fund; \$700,000 each year is from the nongame wildlife management account in the special revenue fund; \$2,400,500 each year is from the parks maintenance and operations account in the special revenue fund; and \$22,086,200 the first year and \$22,718,900 the second year are from the game and fish fund, including \$549,400 the first year and \$535,600 the second year pursuant to Minnesota Statutes, Section 296.421, Subdivision 4.

The amounts that may be expended from this appropriation for each program are as follows:

Administrative Management Services	
\$ 4,969,100	\$ 5,114,600

1982

1983

\$

\$

\$1,687,000 the first year and \$1,765,100 the second year is from the game and fish fund.

\$275,000 the first year and \$275,000 the second year is for boating safety.

\$150,000 the first year and \$150,000 the second year is for the Minnesota environmental education board.

Regional Administration

\$ 3,103,300 \$ 3,144,000

\$621,000 the first year and \$628,900 the second year is from the game and fish fund.

Field Services Support

\$ 4,615,700 \$ 4,981,000

\$1,384,700 the first year and \$1,494,300 the second year is from the game and fish fund.

Water Resources Management

\$ 3,176,400 \$ 3,287,100

\$200,000 the first year and \$200,000 the second year is for water bank leases and is from the game and fish fund.

Mineral Resources Management

\$ 2,152,600 \$ 2,209,400

\$246,800 the first year and \$256,100 the second year is for mineland reclamation.

\$256,300 the first year and \$274,300 the second year is for peat inventory or studies.

Forest Management

\$14,034,700 \$14,443,500

\$500,000 the first year and \$500,000 the second year is from the consolidated conservation areas account in the special revenue fund.

\$340,000 the first year and \$358,700 the second year is for emergency fire fighting. If the appropriation for either year is insufficient, the appropriation for the other year is available for it. Except on an emergency basis, no part of this appropriation shall be expended for contracts for standby air tankers until the department has attempted to make similar arrangements for the use of air national guard tankers.

\$3,750,000 the first year and \$3,750,000 the second year is to implement the federal Boundary Waters Canoe Area legislation and is available only to match federal money on a basis of 80 percent federal, 20 percent state, provided that no more than \$250,000 the first year and

	1982	1983
	\$	\$

\$240,000 the second year may be expended prior to the appropriation of federal funds. If the federal reimbursement is appropriated, the state appropriations are available until September 30, 1982 and September 30, 1983 respectively. The federal reimbursement shall be deposited in the general fund.

Fish Management

\$ 6,185,200	\$ 6,310,000
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Except for \$47,500 the first year and \$28,000 the second year from the general fund for acid rain, this appropriation is from the game and fish fund.

Wildlife Management

\$ 7,258,300	\$ 7,397,900
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This appropriation is from the game and fish fund.

\$300,000 the first year and \$300,000 the second year is for deer habitat improvement.

\$810,000 in the first year and \$818,000 the second year is for payments to counties in lieu of taxes.

\$1,125,000 the first year and \$1,125,000 the second year is from the wildlife acquisition account for the acquisition and development of wildlife management areas.

\$700,000 the first year and \$700,000 the second year is from the nongame wildlife management account.

\$40,000 the first year and \$40,000 the second year is a supplement for the voluntary adult hunter education program.

Ecological Services

\$ 697,400	\$ 706,300
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\$348,700 the first year and \$353,200 the second year is from the game and fish fund.

Parks and Recreation Management

\$ 8,510,600	\$ 8,591,100
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\$2,400,500 the first year and \$2,400,500 the second year is from the parks maintenance and operations account.

\$163,500 the first year and \$163,500 the second year is for the program to employ needy elderly persons in the maintenance and operation of state parks.

\$63,000 the first year and \$63,000 the second

	1982	1983
	\$	\$

year is for scientific and natural areas.

\$24,000 the first year and \$24,000 the second year is for payments in lieu of taxes on lands in Voyageurs national park and St. Croix Wild River state park. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

Soil and Water Conservation Board

\$ 2,873,000	\$ 2,880,300
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\$425,000 the first year and \$425,000 the second year is for general purpose grants in aid to soil and water conservation districts.

\$225,800 the first year and \$225,000 the second year is for grants to watershed districts and other local units of government in the southern Minnesota river basin study area 2 for flood plain management.

\$1,585,000 the first year and \$1,585,000 the second year is for grants to soil and water conservation districts for cost sharing contracts for erosion control and water quality management. Priority shall be given to projects designed to solve lakeshore, stream bank, and roadside erosion.

\$246,300 the first year and \$246,300 the second year is for grants in aid to soil and water conservation districts and local units of government to assist them in solving sediment and erosion control problems. Grants shall not exceed 50 percent of total project costs or 50 percent of the local share if federal money is used. Priority shall be given to projects designed to solve lakeshore, stream bank, and roadside erosion and to projects eligible for federal matching money.

\$92,000 the first year and \$92,000 the second year is for grants to soil and water conservation districts for review and comment on water permits.

Enforcement

\$ 6,891,100	\$ 7,040,800
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\$1,000,000 the first year and \$1,000,000 the second year is for grants to counties for boat and water safety.

\$4,712,900 the first year and \$4,832,600 the second year is from the game and fish fund, provided that if the investment income on balances credited to the game and fish fund during the first year is less than \$700,000, the appro-

	1982	1983
	\$	\$

priation for the second year from the game and fish fund is \$4,530,600.

The appropriation from the game and fish fund includes \$20,000 the first year and \$20,000 the second year for the purpose of controlling smelt fishing activities on the north shore, including development of parking facilities, traffic control, coordination of regulatory agencies, control of trespass and vandalism, control of littering and sanitation, and public information and education. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

Planning and Research

\$ 389,500	\$ 396,100
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Youth Employment

\$ 410,800	\$ 428,600
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The department shall insure that youths in all parts of the state shall have an equal opportunity for employment. The youth conservation corps shall provide service for the various DNR disciplines including parks, forestry and stream improvement.

\$100,000 the first year and \$100,000 the second year shall be used for planting, timber stand improvement, and forest development on state owned lands, other than trust fund lands, for forestry purposes.

Trails and Waterways Management

\$ 2,297,900	\$ 2,420,600
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\$232,200 the first year and \$240,800 the second year is for development and maintenance of canoe and boating routes.

\$923,700 the first year and \$993,400 the second year represents unrefunded gas taxes paid for snowmobiles and shall be used for acquisition, development, and maintenance of recreational trails and for related purposes.

An amount not to exceed \$50,000 of all money deposited in the general fund pursuant to Minnesota Statutes, Section 84.58, Subdivision 8, during the biennium ending June 30, 1981, is appropriated to the commissioner of natural resources for the purposes of paying expenses relating to receiving, processing, and analyzing permits applied for under sections 84.57 to 84.621, and inspecting and monitoring activities authorized by the permits. All money so appropriated is available until expended.

	1982	1983
	\$	\$
<p>\$435,900 the first year and \$464,900 the second year is from the game and fish fund for public access and lake improvements.</p>		

The commissioner of natural resources with the approval of the commissioner of finance may transfer unencumbered balances not specified for a particular purpose among the above programs. Transfers shall be reported forthwith to the committee on finance of the senate and the committee on appropriations of the house of representatives.

Sec. 26. ZOOLOGICAL BOARD

General Operations and Management	5,209,300	5,255,500
Approved Complement -	162.5	
General -	146	
Special -	16.5	

The amounts that may be expended from this appropriation for each program are as follows:

Visitor Programs		
\$ 1,238,900		\$ 1,282,900

Zoo Ride

All receipts from the operation of the zoo ride shall be deposited in a special account in the state treasury. All receipts from the zoo ride are appropriated and available until June 30, 1983 for the purposes of the zoo ride. These receipts are the only money appropriated for zoo ride operating expenses or debt service.

Biological Programs		
\$ 1,301,100		\$ 1,330,200

Management Services		
\$ 360,800		\$ 366,300

Two positions shall be moved from the unclassified to the classified service.

Physical Facilities		
\$ 2,308,500		\$ 2,276,100

\$100,000 the first year and \$100,000 the second year is for a major maintenance reserve fund. Any unencumbered balance remaining in the first year does not cancel but is available for the second year of the biennium.

The director of the Minnesota zoological garden with the approval of the commissioner of finance may transfer unencumbered balances among the above programs, except that he shall make no transfer into the zoo ride program.

1982 1983
\$ \$

Transfers shall be reported forthwith to the committee on finance of the senate and the committee on appropriations of the house of representatives.

The fee structure for the Minnesota zoological garden shall not exceed \$3.50 for adults, age 17-61; \$1.75 for senior citizens, age 62 and over; \$1.75 for juniors age 12-16, \$1.25 for children ages 6-11 and free for children 5 and under.

The Minnesota zoological garden board shall work with the Como zoo and the Como zoological society of the city of St. Paul to develop and adopt a joint position statement regarding cooperative programs at the two facilities. The statement shall include plans to promote complementary exhibits and to develop a process for continued coordination. The statement shall be submitted to the committees on appropriations in the house of representatives and finance in the senate by January 1, 1982.

Sec. 27. WATER RESOURCES BOARD . . .	103,200	105,400
Approved Complement - 3		

Sec. 28. POLLUTION CONTROL AGENCY

General Operations and Management	6,273,600	6,127,300
1982 1983		
Approved Complement -	381	374
General -	175.5	168.5
Federal -	205.5	205.5

The amounts that may be expended from this appropriation for each program are as follows:

Water Pollution Control
\$ 2,416,400 \$ 2,470,100

Air Pollution Control
\$ 699,800 \$ 706,800

\$25,000 the first year and \$25,000 the second year is for special studies. The agency shall negotiate with the federal government, or any agency, bureau, or department thereof, for the purpose of securing or obtaining any grants of assistance in the completion of these studies. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

\$56,600 the first year and \$58,700 the second year is for the acid rain study.

	1982	1983
	\$	\$
Solid Waste Pollution Control		
\$ 729,800	\$ 1,014,200	

\$300,000 the first year and \$300,000 the second year is for grants to counties for planning and demonstration grants.

\$375,000 the first year is for enforcement assistance grants to local governments.

The agency shall reinstate the packaging program.

Regional Support	
\$ 514,700	\$ 525,300

General Support	
\$ 1,977,300	\$ 1,540,400

\$450,000 the first year is for environmental impact statements on candidate hazardous waste disposal sites. Any unencumbered balance remaining in the first year does not cancel but is available for the second year.

General Staff Reduction	
(\$ 64,400)	(\$ 129,500)

The amounts appropriated for the several programs and activities each year shall be reduced by the amount of the general staff reduction so that the total appropriated for all programs and activities does not exceed the amount appropriated for general operations and management for that year.

The health department shall continue to render staff services the agency requires from time to time through health's division of environmental health. The health department shall be reimbursed from the appropriation for general support for this cost.

The director of the pollution control agency with the approval of the commissioner of finance may transfer unencumbered balances not specified for a particular purpose among the above activities. Transfers shall be reported forthwith to the committee on finance of the senate and the committee on appropriations of the house of representatives.

Sec. 29. WASTE MANAGEMENT		
BOARD	1,400,400	1,357,100
Approved Complement -	20	
General -	14	
Bond Fund -	6	

\$210,000 the first year and \$120,000 the second

	1982	1983
	\$	\$
year is for grants to counties and local project review committees for their participation in the siting process.		

Sec. 30. ENERGY, DEVELOPMENT AND PLANNING

General Operations and Management	11,208,700	9,637,350
Approved Complement -	249	
General -	161	
Federal -	86	
Revolving -	2	
Planning		
\$ 3,882,750		\$ 3,882,750

The following functions are included in this program: planning for crime control, human resources, physical planning, developmental disabilities, program review, health and critical areas; land management information center; state demographer; EQB administration; power plant studies; and environmental impact statement preparation.

\$99,000 each year is for criminal justice planning and grants administration, including expenses for the crime control planning board.

\$75,000 each year is for criminal justice grants and administration and shall be expended with the approval of the governor after consultation with the legislative advisory commission pursuant to Minnesota Statutes, Section 3.30.

\$250,000 each year is for grants for youth intervention programs.

\$101,000 each year is for a grant to the environmental conservation library (ECOL).

\$261,000 each year is for the service bureau of the land management information center.

Community Development

\$ 2,923,550	\$ 1,665,000
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The following functions are included within this program: technical assistance, fiscal studies, planning assistance grants, small business assistance, business and community contact, international trade, grants and loans, and Indian business loans.

\$87,000 each year is for a grant to the Duluth Port Authority.

\$215,000 each year is for community development corporations.

\$ 1982

\$ 1983

\$959,000 the first year and \$479,500 the second year is for regional planning grants.

\$300,000 the first year and \$150,000 the second year is for land use planning grants to local governments.

The payment of \$300,000 to the Arrowhead regional development commission made in 1979 by action of the legislative advisory commission upon request of the state planning agency shall be repaid by the Arrowhead commission through the performance by the Arrowhead commission of community and economic development projects. Beginning in fiscal year 1982, \$75,000 of the appropriation authorized under Minnesota Statutes, Section 462.396 shall be committed for the purposes of this repayment and shall continue to be committed in succeeding fiscal years until the sum of the original payment is reached. Proposed community and economic development projects for which this funding will be utilized will be specified by the Arrowhead commission in a detailed work program contained within the annual work program required under section 462.396. This detailed work program shall be submitted to the legislative commission on Minnesota resources annually for approval prior to the expenditure of any monies provided in this section. The work program and any progress reports shall be in the form determined by the legislative commission on Minnesota resources.

\$42,500 each year is for a grant to the government training service.

Tourism

\$ 1,293,300 \$ 1,306,800

\$600,000 each year is for tourism advertising and promotion.

\$350,000 each year is for tourism grants.

Energy

\$ 2,154,100 \$ 1,826,500

\$300,000 in the first year is for district heating preliminary planning grants to municipalities for planning related to the development of district heating systems. The municipality must demonstrate that a community heatload survey and map have been successfully completed, that potential district heating load is sufficiently large to justify further consideration, and that sufficient resources are available for the municipi-

	1982	1983
	\$	\$

pality to meet its financial requirements. Eligible planning grant costs include project definition, development of preliminary financing and distribution system plans, and obtaining community commitment for detailed planning or design and preparation of a final report. The amount of a grant shall be limited to 90 percent of eligible planning costs and shall not exceed \$20,000.

The director of the energy agency shall prepare and submit to the legislative advisory commission a list of district heating grant requests. The list shall contain the necessary supporting information. The recommendation of the legislative advisory commission shall be transmitted to the governor. The governor shall approve or disapprove, or return for further consideration, each project recommended for approval by the legislative advisory commission. The grants may be disbursed only upon approval by the governor.

\$130,000 the first year and \$70,000 the second year is for a superinsulated home demonstration project. Grants from this appropriation are available only when matched from private resources on a dollar for dollar basis.

General Support

\$ 955,000	\$ 956,300
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In the first year the amount for each agency prior to the merger of the four agencies is as follows:

Crime Control Planning Board

\$ 100,000

State Planning Agency

\$ 325,000

Economic Development

\$ 330,000

Energy Agency

\$ 200,000

When the merger occurs, any unexpended balances from the above appropriation are available to the merged department for the purposes of general support.

The commissioner shall present a complete budget and staffing plan to the committees on finance in the senate and appropriations in the house by September 1, 1981.

Sec. 31. NATURAL RESOURCES ACCELERATION

	1982	1983
	\$	
Subdivision 1. General Operations and Management	15,315,000	12,821,000

Approved Complement - 133

The amounts that may be expended from this appropriation for each activity are more specifically described in the following subdivisions of this section.

For all appropriations in this section, except as otherwise specifically provided, if the appropriation for either year is insufficient, the appropriation for the other year is available for it.

Subd. 2. Legislative Commission on Minnesota Resources	238,000	237,000
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The commission shall during the 1981-1983 biennium review the work programs and progress reports required under this section, and report its findings and recommendations to the committee on finance of the senate, committee on appropriations of the house of representatives and other appropriate committees. The commission shall establish oversight committees to continue review of a variety of natural resource subject areas as it deems necessary to carry out its legislative charge.

Subd. 3. State Planning Agency	4,580,000	4,359,000
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Approved complement - 16

The amounts that may be expended from this appropriation for each activity are as follows:

(a) Land Use Change		
\$ 65,000	\$	65,000

Approved Complement - 2

To complete a pilot program to develop rapid and inexpensive procedures to update the land use information. Data shall be collected in a format consistent and compatible with the Minnesota land management information system and provided to that system as appropriate.

(b) Outdoor Recreation Act Implementation		
\$ 37,000	\$	37,000

Approved Complement - 1

For the agency review process required in Minnesota Statutes, Chapter 86A.

(c) Local Significance Contingency		
\$ 2,000,000	\$	2,000,000

This appropriation is available to pay up to 50

\$ 1982

\$ 1983

percent of the total cost or 50 percent of the local share if federal matching money are used, of long term lease, acquisition and development of recreational projects for the purposes described in Laws 1965, Chapter 810, Section 23, as amended by Laws 1969, Chapter 1139, Section 48, Subdivision 7, Paragraph g, except that no lake improvement grants are authorized under this subdivision and the per project limit for state grants is \$200,000.

\$1,000,000 the first year and \$1,000,000 the second year is reserved for projects outside the metropolitan area as defined in Minnesota Statutes, Section 473.121, Subdivision 2.

The state planning agency shall administer the natural resources and land and water conservation fund grants-in-aid to local units of government. Notwithstanding any other law to the contrary these grants are not contingent upon the matching of federal grants.

This appropriation shall be expended with the approval of the governor after consultation with the legislative advisory commission. The legislative commission on Minnesota resources shall make recommendations to the legislative advisory commission regarding such expenditures.

(d) Regional Significance Contingency
\$ 2,000,000 \$ 2,000,000

This appropriation is available to pay up to 50 percent of the total cost or 50 percent of the local share if federal matching money are used, for long term lease, acquisition and major development for recreation projects, natural areas and open space serving a regional need to counties, local units of government and special units of government authorized to acquire, maintain and operate recreational and natural areas.

\$1,000,000 the first year and \$1,000,000 the second year shall be reserved for projects outside the metropolitan area as defined in Minnesota Statutes, Section 473.121, Subdivision 2. Priorities for the use of funds provided in this subdivision will be given to projects eligible for federal funding and which are consistent with priorities established by regional recreation and open space plans.

The amount needed but not to exceed \$1,000,000 the first year and \$1,000,000 the second year, from this appropriation shall be transferred to the metropolitan council to pay

	1982	1983
	\$	\$

principal and interest coming due in the respective fiscal years on bonds issued pursuant to Laws 1974, Chapter 563, Section 7, Subdivision 2; none of this amount may be expended for professional services.

The state planning agency shall administer the natural resources and land and water grants-in-aid program.

This appropriation shall be expended with the approval of the governor after consultation with the legislative advisory commission. The legislative commission on Minnesota resources shall make recommendations to the legislative advisory commission regarding such expenditures. If a balance remains on July 1, 1982, then the remainder of the appropriation may be made available for either local or regional significance grants.

(e) Grant Administration

Approved Complement - 6

Up to \$185,000 the first year and \$185,000 the second year of the amounts appropriated in the above paragraphs for local and regional significance grants is available for grant administration.

(f) Soils and Topographic Data

Computerization

\$	50,000	\$	40,000
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Approved Complement - 1

To incorporate topographic information into the land management information system and determine the most productive ways to incorporate soils information.

(g) Public Land Records

\$	150,000	\$	149,000
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Approved complement - 2

In conjunction with the department of natural resources and in cooperation with the historical society and administration department, develop a comprehensive land ownership system. Of this amount, \$105,000 is to preserve original land records of the department of natural resources. Data shall be collected in a format consistent and compatible with the Minnesota land management information system and provided to that system as appropriate.

	1982	1983
	\$	\$
(h) Computer Work Station		
\$ 210,000 \$ -0-		

Approved Complement - 1

To augment the present computer equipment to accommodate increased levels of service demanded by state agencies and other clientele.

(i) Information and Data Exchange		
\$ 68,000 \$ 68,000		

Approved Complement - 3

To complete the centralized source index for natural resource information.

Subd. 4. Department of Natural Resources	\$6,466,000	\$6,022,000
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Approved Complement - 96

The amounts that may be expended from this appropriation for each activity are as follows:

(a) Floodwater Retention Assistance		
\$ 534,000 \$ 534,000		

Approved Complement - 1

To assist the lower Red River watershed management board by providing up to 50 percent of the non-federal share of the cost of projects approved by the board for floodwater retention in the jurisdiction of the board. All available local, state, federal and private sources shall be requested to provide financial assistance. Of this amount, up to \$34,000 the first year and \$34,000 the second year is available for the biennium to the department for staff and essential equipment, and \$87,500 the first year and \$87,500 the second year is available for watershed planning and related activities on the same cost sharing basis. Data shall be collected in a format consistent and compatible with the Minnesota land management information system and provided to that system as appropriate.

(b) Koochiching County Ditch Investigation

\$ 35,000 \$ -0-		
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The department may contract for consulting services to determine the basis for state share of ditch repair costs and shall recommend a proposed policy for ditch repair where state land is involved.

(c) Regional Water Data Network		
\$ 34,000 \$ 33,000		

	1982	1983
	\$	\$

Approved Complement - 1

To train employees, establish, and test a state-wide data system through regional offices. Data shall be collected in a format consistent and compatible with the Minnesota land management information system and provided to that system as appropriate.

(d) Shoreland Update

\$	119,000	\$	119,000
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Approved Complement - 2

The department shall provide an update to the 1969 shoreland study, assess the current management program and assist counties by making the data accessible to all levels of government. Data shall be collected in a format consistent and compatible with the Minnesota land management information system and provided to that system as appropriate.

(e) Wild and Scenic Rivers Operations

\$	58,000	\$	58,000
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Approved Complement - 2

The department shall assist local units through technical and administrative support to implement the wild and scenic rivers program.

(f) Rainy River Navigation Improvement

\$	88,000	\$	-0-
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The department shall provide a grant to Lake of the Woods county to remove pilings and to disburse rock cribs in the river.

(g) Hydroelectric Pilot Plant

\$	250,000	\$	-0-
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For the design and engineering phase of hydro-power redevelopment of the Kettle River dam.

(h) Geological Test Drilling Equipment Augmentation

\$	75,000	\$	-0-
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To improve the applicability of existing state owned drilling equipment by adding tools and equipment designed for deep hole boring, as required by the joint project between department of transportation, Minnesota geologic survey and department of natural resources.

(i) Forest Resource Plan

\$	355,000	\$	355,000
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	1982	1983
	\$	\$

Approved complement - 8

To prepare a forest resources plan and develop a mangement information system, including the appropriate land suitability analyses and program budgets. Data shall be collected in a format consistent and compatible with the Minnesota land management information system and provided to that system as appropriate.

(j) Accelerate Private Forest Management

\$	330,000	\$	330,000
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Approved Complement - 10

To provide increased technical management assistance to private nonindustrial forest land owners throughout the state, and, in cooperation with the soil and water conservation board, encourage landowners to apply for available federal cost sharing assistance for implementation of practices. Of this amount, \$60,000 the first year and \$60,000 the second year is available for a pilot project in the seven counties within the Richard J. Dorer memorial hardwood forest to provide up to 50 percent of the nonfederal share of the costs of implementing forestry practices which are eligible for federal cost sharing assistance. After October 1, 1982, the unused portion for the pilot project may also be used for cost sharing assistance in other areas of the state as indicated by landowner interest and request.

(k) Accelerate Phase II Inventory

\$	367,000	\$	367,000
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Approved Complement - 10

To accelerate the inventory in Beltrami state forest, Aitkin and Pine counties. Data shall be collected in a format consistent and compatible with the Minnesota land management information system and provided to that system as appropriate.

(l) Fire Management Analysis

\$	85,000	\$	85,000
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Approved Complement - 6

To analyze fire management in the balance of the state and determine methods for internal savings and improved management.

(m) Pulpwood Weight Study

\$	150,000	\$	150,000
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Approved Complement - 6

	1982	1983
	\$	\$

The department shall establish uniform cord weights for jack pine, tamarack, balsam fir and balsam poplar after sufficient research and measurement. The department shall provide a comparison between consultation and staff performance of this project, prior to work program approval.

(n) Forest Soil Specialization

\$	66,000	\$	66,000
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Approved Complement - 3

To improve efficiency of management by providing technical soil interpretation to field foresters and planners. Data shall be collected in a format consistent and compatible with the Minnesota land management information system and provided to that system as appropriate.

(o) Wildlife Area Inventory

\$	73,000	\$	74,000
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Approved Complement - 1

To complete the data collection and recording on the remaining wildlife management areas. Data shall be collected in a format consistent and compatible with the Minnesota land management information system and provided to that system as appropriate.

(n) Park Development

\$	2,304,000	\$	2,304,000
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Approved Complement - 14

To accelerate development in state parks and recreation areas. \$1,225,000 the first year and \$1,225,000 the second year is from the state park development account in the special revenue fund. \$150,000 of this amount represents the balance of the appropriation made in Laws of 1977, Chapter 455, Section 28 for Lake Bronson park, which is cancelled.

Eighty percent of this appropriation shall be spent on projects which qualify for federal reimbursement, grant or match. Expenditures shall be for major rehabilitation and new capital improvement. Up to 15 percent may be spent for professional services.

(o) Outdoor Recreation Act
Implementation

\$	350,000	\$	350,000
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Approved Complement - 17

To conduct the master planning and other activ-

	1982	1983
ities required by Minnesota Statutes 1980, Chapter 86A.	\$	\$

Of this amount, \$250,000 the first year and \$250,000 the second year and 12 staff complement are for parks planning.

Of this amount, \$100,000 the first year and \$100,000 the second year and five staff complement are for rivers planning to prepare management plans, assist initial implementation of approved plans, oversee acquisition and develop a plan update process. Data shall be collected in a format consistent and compatible with the Minnesota land management information system and provided to that system as appropriate.

(p) Minnesota Natural Heritage Program

\$	87,000	\$	88,000
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Approved Complement - 2

To continue development and application of the integrated data system in order to expedite state land inventories and improve environmental assessment and decision making, and for planning scientific and natural areas required by Minnesota Statutes 1980, Chapter 86A. Data shall be collected in a format consistent and compatible with the Minnesota land management information system and provided to that system as appropriate.

(q) River Planning

\$	80,000	\$	80,000
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The department shall administer a grant to the upper Mississippi headwaters board, if it is created in 1981 law, of up to 50 percent of the cost of implementing the plan.

(r) Natural Resource Policy Development

\$	138,000	\$	138,000
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Approved Complement - 4

To continue accelerated efforts in developing administrative resource management policies, strategies and recommendations for more effective management and policy analysis.

(s) Land Resource and Management Plan

\$	238,000	\$	238,000
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Approved Complement - 4

To initiate a program to assess the relative suit-

	1982	1983
	\$	\$

ability of each parcel of state owned land for each use which could occur and adjust ownership accordingly through sale, land exchange or acquisition. Data shall be collected in a format consistent and compatible with the Minnesota land management information system and provided to that system as appropriate. The department shall provide a comparison between consultation and staff performance of this project, prior to work program approval.

(t) Natural Resource Data
System

\$ 150,000	\$ 153,000
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Approved Complement - 4

To continue coordination and development of resource information for improved management and analysis of programs for effectiveness. Data shall be collected in a format consistent and compatible with the Minnesota land management information system and provided to that system as appropriate.

(u) Water Access

\$ 500,000	\$ 500,000
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Approved Complement - 1

For acquisition of access sites statewide. Up to 25 percent of this amount is available for development. The department shall make every effort to maximize the use of local effort and finances in the program. Up to 15 percent of the appropriation is available for professional services.

Subd. 5. Water Planning Board

\$ 262,000	\$ -0-
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Approved Complement - 7

For fiscal year 1982, to further analyze, develop and promote implementation of management recommendations of the 1979 framework water plan.

Subd. 6. Pollution Control Agency.....	158,000	158,000
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Approved Complement - 4

The agency shall complete phase II of the two phase lake classification study and monitor existing grants. Data shall be collected in a format consistent and compatible with the Minnesota land management information system and provided to that system as appropriate.

Subd. 7. Minnesota Energy

Agency	705,000	207,000
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	1982	1983
Approved Complement - 6	\$	\$

The amounts that may be expended from this appropriation for each activity are as follows:

(a) Special Peat Energy Project
\$ 57,000 \$ -0-

To organize state efforts, and develop a grant proposal for future peat or biomass demonstration projects. Federal and private money which may become available is appropriated.

(b) Wind Energy Monitoring
\$ 44,000 \$ -0-

Approved Complement - 1

To design and implement a wind monitoring system.

(c) Hydropower Redevelopment Coordination
\$ 14,000 \$ 14,000

Approved Complement - 1

To coordinate the activities of the St. Anthony Falls hydraulics laboratory and the department of natural resources in hydropower activities.

(d) Bagley District Heating
\$ 400,000 \$ -0-

To provide technical support by the agency and a grant of \$380,000 conditional upon the city of Bagley match of \$30,000, to finance the required engineering design phase preparatory to the city seeking full scale development financing for a wood residue fueled district heat system.

(e) Industrial Cogeneration Potential
\$ 38,000 \$ 39,000

To assess the potential for industrial cogeneration of electricity and thermal energy and review the state role in cogeneration issues.

(f) Combustion Turbine Capacity
\$ 42,000 \$ 43,000

Approved Complement - 1

To review the under used potential and the prospects for modification of existing combustion turbines statewide, including alternative fuel use.

(g) Energy Impact Analysis
\$ 37,000 \$ 38,000

Approved Complement - 1

To continue assessment of the economic costs

	\$ 1982	\$ 1983
and benefits associated with alternative energy development.		

(h) Solar Performance Monitoring
 \$ 73,000 \$ 73,000

Approved Complement - 2

To collect, analyze and report information on conventional and low cost solar domestic hot water heaters, passive solar superinsulated homes, and to compare relative performance.

Subd. 8. University of Minnesota	2,331,000	1,263,000
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(a) Accelerated Soil Survey
 \$ 889,000 \$ 889,000

To continue the survey for the fourth biennium of a six biennium effort to provide the appropriate detailed soil survey on all lands, based upon the adopted cost share formula between counties, state and federal ownership ratios. Data shall be collected in a format consistent and compatible with the Minnesota land management information system and provided to that system as appropriate.

(b) Aeromagnetic Survey
 \$ 818,000 \$ -0-

To acquire aeromagnetic survey information for the second biennium of a four biennium effort. Data shall be collected in a format consistent and compatible with the Minnesota land management information system and provided to that system as appropriate.

(c) Geology of Southeast Minnesota
 \$ 30,000 \$ 30,000

To determine subsurface drainage and hydrology, and evaluate the impact of land practices.

(d) Environmental Technology
 \$ 244,000 \$ 244,000

To investigate technical solutions to environmental problems identified with current industrial processes and determine the appropriate future level of effort which may be necessary.

(e) Cement Project Equipment
 \$ 250,000

To purchase research equipment needed for experiments with novel cement production techniques.

	1982	1983
	\$	\$
(f) Hydropower Technology		
\$ 100,000 \$ 100,000		

To determine the full potential for hydropower development at existing sites, investigate and recommend procedures to deal with environmental impacts and to develop improved hydropower technology.

Subd. 9. Historical Society	75,000	75,000
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Approved Complement - 4

For the final effort to develop an archeologic data base which is compatible with the Minnesota land management information system. The society shall publish reports on the location, characteristics and significance for preservation of archeologic sites which will serve to eliminate the delays in environmental assessments and impact statements. Confidentiality and disclosure requirements shall be observed concerning publication of the reports.

Subd. 10. Work Programs

It is a condition of acceptance of the appropriations made by this section that the agency or entity receiving the appropriation shall submit work programs and semi-annual progress reports in the form determined by the legislative commission on Minnesota resources. None of the moneys provided in this section may be expended unless the commission has approved the pertinent work program. Upon request from the commission the agency head shall submit an evaluation by July 1, 1982 as to whether the program should be incorporated in the next agency budget.

Subd. 11. Complement Temporary

Persons employed by a state agency and paid by an appropriation in this section are in the unclassified civil service and their continued employment is contingent upon the availability of money from the appropriation. When the appropriation has been expended, their positions shall be cancelled and the approved complement of the agency reduced accordingly.

Subd. 12. Natural Resources Federal Reimbursement Account	500,000	500,000
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This appropriation is from the natural resources federal reimbursement account. The commission may engage in a soil erosion sedimentation study, and a report on the 20 year history of the

	1982	1983
	\$	\$
commission.		
Sec. 32. LABOR AND INDUSTRY		
General Operations and Management	7,587,900	7,442,200
Approved Complement -	1982	1983
	262	262.5
General -	220.5	219.8
Federal -	36.5	37.7
Special -	5.0	5.0

The amounts that may be expended from this appropriation for each program are as follows:

Employment Standards

\$ 646,600 \$ 647,600

Workers' Compensation

\$ 4,673,000 \$ 4,563,300

Of this appropriation, \$113,700 the first year and \$102,300 the second year are from the special compensation fund.

\$800,000 the first year and \$800,000 the second year is for reimbursement of the special compensation fund pursuant to Minnesota Statutes, Section 176.183, Subdivision 2.

The commissioner of labor and industry shall designate by July 1, 1981 a person with demonstrated proficiency in the field of workers' compensation laws, practices, and procedures as assistant commissioner to supervise the workers' compensation program.

One of the two additional paralegal positions authorized under the advocacy program shall be assigned to the Duluth office.

\$149,500 the first year and \$149,500 the second year is for payment of peace officer survivor benefits pursuant to section 352E.04. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

Code Enforcement

\$ 605,500 \$ 609,800

OSHA

\$ 871,800 \$ 851,200

Included in this appropriation is \$61,000 the first year and \$28,000 the second year for an on-site consultation unit. The department of labor and industry is directed to seek federal match of 90 percent for the appropriation for the second year.

	1982	1983
	\$	\$
General Support		
\$ 791,000	\$ 770,300	

Of this appropriation \$50,000 is for fiscal year 1982 legal costs, approved by the attorney general or his designee, related to recovery of claims against third parties.

The commissioner of labor and industry with the approval of the commissioner of finance may transfer unencumbered balances not specified for a particular purpose among the above programs. Transfers shall be reported forthwith to the committee on finance of the senate and the committee on appropriations of the house of representatives.

Sec. 33. MEDIATION SERVICES

General Operations and Management	912,000	926,300
Approved Complement - 25.5		

Sec. 34. PUBLIC EMPLOYMENT RELATIONS BOARD

General Operations and Management	44,700	45,800
Approved Complement - 1		

Sec. 35. MILITARY AFFAIRS

General Operations and Management	4,770,600	4,834,200
	1982	1983
Approved Complement -	234	231
General -	133	130
Federal -	101	101

Plus additional personnel as may be financed entirely from federal money for the period federal money is available.

The amounts that may be expended from this appropriation for each program are as follows:

Maintenance of Military Training Facilities
\$ 3,767,000 \$ 3,905,800

General Support
\$ 1,142,800 \$ 1,106,600

\$150,000 the first year and \$150,000 the second year is for expenses of military forces ordered to active duty pursuant to chapter 192. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

General Staff Reduction
(\$ 36,800) (\$ 74,000)

The amounts appropriated for the several pro-

1982 1983
\$ \$

grams and activities each year shall be reduced by the amount of the general staff reduction so that the total appropriated for all programs and activities does not exceed the amount appropriated for general operations and management for that year.

General Reduction
(\$102,400) (\$104,200)

The amounts appropriated for the several programs and activities each year shall be reduced by the amount of the general reduction so that the total appropriated for all programs and activities does not exceed the amount appropriated for general operations and management for that year.

The adjutant general with the approval of the commissioner of finance may transfer unencumbered balances between the above programs. Transfers shall be reported forthwith to the committee on finance of the senate and the committee on appropriations of the house of representatives.

Notwithstanding any other provision of this act or any other law, the portion of appropriations made in this section that relate to facility maintenance and repairs shall be available for allotment, encumbrance and expenditure upon passage of this act, for the purpose of financing federal reimbursement contracts.

Sec. 36. VETERANS AFFAIRS

General Operations and Management	8,619,000	8,924,100
1982 1983		
Approved Complement - 319.5 317.5		

The amounts that may be expended from this appropriation for each program are as follows:

Veterans Benefits and Services
\$ 2,147,000 \$ 2,258,300

If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

Of this appropriation, \$48,000 the first year and \$48,000 the second year is for war veterans and war orphans education aid, to be expended pursuant to Minnesota Statutes, Section 197.75.

Veterans Home - Minneapolis
\$ 4,936,700 \$ 5,152,400

Veterans Home - Hastings
\$ 1,669,300 \$ 1,670,000

1982
\$1983
\$

The department of veterans affairs is directed to review the ratio of direct to indirect resident care positions at the Hastings Veterans Home and reassign staff positions to achieve the ratio recommended by the department of administration's management study or based on an independent needs assessment of the residents. The department shall report to the chairmen of the house appropriations and senate finance committees its efforts to comply with this section by February 15, 1982.

The commissioner of veterans affairs is directed to study the long-term health care needs of veterans in Minnesota and to prepare recommendations relative to further capital construction. The commissioner may utilize the findings of the united veterans legislative council, the north-west steering committee, and studies completed pursuant to Minnesota Laws 1977, Chapter 329. The department of health, the department of public welfare, the management analysis division of the department of administration, the University of Minnesota center for health services research, and the state demographer shall provide consultation assistance as requested and as resources allow. Community alternatives and the use of existing buildings may be considered. The report shall be presented to the chairmen of the veterans affairs committees and the appropriations and finance committees of the legislature by January 1, 1982.

If nondedicated receipts from the federal government and from maintenance charges for the veterans homes are less than \$4,364,700 for fiscal year 1982, and \$5,063,400 for fiscal year 1983, the commissioner of finance shall reduce the amount available to the veterans homes by the amount of the difference. The reductions shall be noted in the budget document submitted to the 73rd legislature.

The nondedicated receipt limitation in Laws 1979, Chapter 333, Section 40 for fiscal year 1981 is reduced by \$396,100.

The commissioner of veterans affairs is authorized to establish an imprest cash fund at each of the state operated residential facilities to be utilized for payment to residents participating in on-campus work programs.

Big Island Veterans Camp		
\$	16,600	\$ 17,200

	1982	1983
	\$	\$

The appropriation for the second year shall be expended with the approval of the governor after consultation with the legislative advisory commission pursuant to section 3.30. By January 15, 1982, the commissioner shall report to the chairmen of the house appropriations and senate finance committees the options considered by the department and the intended future use of the Big Island veterans camp.

General Staff Reduction

(\$ 18,400)	(\$ 37,000)
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The amounts appropriated for the several programs and activities each year shall be reduced by the amount of the general staff reduction so that the total appropriated for all programs and activities does not exceed the amount appropriated for general operations and management for that year.

General Reduction

(\$132,200)	(\$136,800)
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The amounts appropriated for the several programs and activities each year shall be reduced by the amount of the general reduction so that the total appropriated for all programs and activities does not exceed the amount appropriated for general operations and management for that year.

The commissioner of veterans affairs with the approval of the commissioner of finance may transfer unencumbered balances among the above programs. Transfers shall be reported forthwith to the committee on finance of the senate and the committee on appropriations of the house of representatives.

Sec. 37. INDIAN AFFAIRS INTERTRIBAL BOARD

Approved Complement -	7.5	
General -	6	
Federal -	1.5	
	185,200	189,700

Sec. 38. COUNCIL ON BLACK MINNESOTANS

	64,700	95,700
	1982	1983
Approved Complement -	2	3

Sec. 39. COUNCIL FOR THE HANDICAPPED

	296,500	305,200
Approved Complement - 10		

The approved complement includes one clerk typist position, which shall be paid for entirely

	1982	1983
	\$	\$
within this appropriation and not eligible for any supplemental appropriation to cover increases in compensation or fringe benefits.		

Sec. 40. HUMAN RIGHTS

General Operations and Management	1,107,400	1,129,500
	1982	1983
Approved Complement -	57	56
General -	43	42
Federal -	14	14

The amounts that may be expended from this appropriation for each program are as follows:

Human Rights Enforcement

\$ 668,400	\$ 680,000
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The commissioner of human rights may assign priority to the investigation of charges based on likelihood of early settlement, potential for widespread impact on discriminatory behavior, or other criteria as established by the commissioner.

Planning, Public Information and Administrative Services

\$ 439,000	\$ 449,500
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The commissioner of human rights with the approval of the commissioner of finance may transfer unencumbered balances among the above programs. Transfers shall be reported forthwith to the committee on finance of the senate and the committee on appropriations of the house of representatives.

Sec. 41. COUNCIL ON AFFAIRS OF SPANISH-SPEAKING PEOPLE

87,700	89,100
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Approved Complement - 3

Notwithstanding any law to the contrary, a staff person of the council in the classified service on or before July 1, 1981, may remain in the classified service.

Sec. 42. HOUSING FINANCE AGENCY

Approved Complement - 121

Spending limit on cost of general administration of agency programs:

1982	1983
\$ 3,488,800	\$ 3,543,500

Sec. 43. TORT CLAIMS	825,000	825,000
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To be disbursed by the commissioner of finance.

Of this amount \$400,000 the first year and

	1982	1983
	\$	\$
\$400,000 the second year is from the general fund, \$400,000 the first year and \$400,000 the second year is from the trunk highway fund, and \$25,000 the first year and \$25,000 the second year is from the game and fish fund.		

If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

The following amounts are appropriated from the funds listed below to reimburse the general fund in fiscal year 1981 for tort claims paid on behalf of the funds.

Trunk highway fund	\$548,627
Iron range resources	156
Highway users fund	1,655
Game and fish fund	32,271

Sec. 44. DEBT SERVICE	111,950,600	114,389,000
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For transfer by the commissioner of finance to the state bond fund.

If this appropriation is insufficient to make all transfers required in the year for which it is made, the commissioner of finance shall notify the committee on finance of the senate and the committee on appropriations of the house of representatives of the amount of the deficiency and shall then transfer that amount pursuant to the statutory open appropriation.

Sec. 45. WORKERS' COMPENSATION

The appropriations in this act for the operation of each state department or agency, except the department of natural resources, in fiscal 1982 and 1983 include amounts needed to pay workers' compensation obligations to the state compensation revolving fund. It is the intent of the legislature not to appropriate additional money at any future time to pay workers' compensation obligations for fiscal 1982 and 1983, except for the department of natural resources or as may be required by an increase in the statutory level of workers' compensation benefits.

Sec. 46. UNEMPLOYMENT COMPENSATION

The appropriations in this act for the operation of each state department or agency, except the department of natural resources, in fiscal 1982 and 1983 include amounts needed to pay unemployment compensation obligations to the unemployment compensation fund. It is the in-

	1982	1983
	\$	\$

tent of the legislature not to appropriate additional money at any future time to pay unemployment compensation obligations for fiscal 1982 and 1983, except for the department of natural resources or as may be required by an increase in the statutory level of unemployment compensation benefits.

Sec. 47. RETIREMENT	180,377,600	194,458,900
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The amounts that may be expended for each purpose are more specifically described in sections 48 to 59 of this act.

Sec. 48. MINNESOTA STATE RETIREMENT SYSTEM	3,119,500	4,482,500
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The amounts estimated to be needed for each program are as follows:

Legislators

\$ 579,000	\$ 1,755,000
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Pursuant to Minnesota Statutes, Sections 3A.03, Subdivision 2; 3A.04, Subdivisions 3 and 4; and 3A.11.

Judges

\$ 2,394,100	\$ 2,586,100
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\$1,774,100 the first year and \$1,951,100 the second year is pursuant to Minnesota Statutes, Section 490.123, Subdivision 1.

\$620,000 the first year and \$635,000 the second year is pursuant to Minnesota Statutes, Section 490.106.

Constitutional Officers

\$ 86,400	\$ 86,400
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Pursuant to Minnesota Statutes, Sections 352C.04, Subdivision 3; and 352C.09, Subdivision 2.

State Employee Supplemental Benefits

\$ 60,000	\$ 55,000
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Pursuant to Minnesota Statutes, Section 352.73

If an appropriation in this section for either year is insufficient, the appropriation for the other year is available for it.

Sec. 49. PUBLIC EMPLOYEES RETIREMENT ASSOCIATION	40,000	33,000
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For supplement benefits pursuant to Minnesota Statutes, Section 353.83.

If an appropriation in this section for either year is insufficient, the appropriation for the other

	1982	1983
	\$	\$

year is available for it.

Sec. 50. MUNICIPAL EMPLOYEES

RETIREMENT FUND	4,950,000	4,950,000
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To the commissioner of finance for payment to the Minneapolis municipal employees retirement fund pursuant to Minnesota Statutes, Section 422A.101, Subdivision 3.

If an appropriation in this section for either year is insufficient, the appropriation for the other year is available for it.

Sec. 51. POLICE AND FIRE

AMORTIZATION AID	6,535,800	6,535,800
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To the commissioner of finance for state aid to amortize the unfunded liability of local police and salaried firefighters' relief associations, pursuant to Minnesota Statutes, Section 423A.02. If an appropriation in this section for either year is insufficient, the appropriation for the other year is available for it.

Sec. 52. DEPARTMENT OF

EDUCATION	408,900	439,800
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For employer contributions for members of the teachers retirement association pursuant to Minnesota Statutes, Section 354.43.

Sec. 53. MINNESOTA EDUCATIONAL

COMPUTING CONSORTIUM	25,500	27,400
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For employer contributions for members of the teachers retirement association pursuant to Minnesota Statutes, Section 354.43.

Sec. 54. STATE UNIVERSITY

BOARD	5,030,000	5,030,000
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This appropriation includes money to pay employer contributions for state university faculty members' supplemental retirement pursuant to Minnesota Statutes, Section 136.81, Subdivision 1, estimated to require \$855,000 the first year and \$855,000 the second year, and money to pay employer contributions for state university faculty members' teacher retirement pursuant to Minnesota Statutes, Section 354.43, estimated to require \$4,175,000 the first year and \$4,175,000 the second year.

Sec. 55. STATE COMMUNITY

COLLEGE BOARD	2,751,500	2,745,700
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This appropriation includes money to pay employer contributions for community college faculty members' supplemental retirement pursuant

	1982	1983
	\$	\$
to Minnesota Statutes, Section 136.81, Subdivision 1, estimated to require \$478,400 the first year and \$478,400 the second year, and money to pay employer contributions for community college faculty members' teachers retirement pursuant to Minnesota Statutes, Section 354.43, estimated to require \$2,273,100 the first year and \$2,267,300 the second year.		

Sec. 56. DEPARTMENT OF CORRECTIONS	95,900	103,200
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For employer contributions for members of the teachers retirement association pursuant to Minnesota Statutes, Section 354.43.

Sec. 57. DEPARTMENT OF PUBLIC WELFARE	161,200	173,400
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For employer contributions for members of the teachers retirement association pursuant to Minnesota Statutes, Section 354.43.

Sec. 58. DEPARTMENT OF ECONOMIC SECURITY	11,200	12,000
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For employer contributions for members of the teachers retirement association pursuant to Minnesota Statutes, Section 354.43.

Sec. 59. TEACHERS RETIREMENTS	157,248,100	169,926,100
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Subdivision 1. The amounts that may be expended for each purpose are more specifically described in the following subdivisions of this section:

Subdivision 1. TEACHERS RETIREMENT ASSOCIATION	76,535,100	82,855,500
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The amounts estimated to be needed for each program are as follows:

Teachers Statewide	\$76,533,100	\$82,854,000
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Pursuant to Minnesota Statutes, Section 354.43.

Teachers Supplemental Benefits-1915	\$ 2,000	\$ 1,500
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Pursuant to Minnesota Statutes, Section 354.55, Subdivision 5.

Subd. 2. FIRST CLASS CITIES	17,255,900	17,979,600
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To the commissioner of finance for payment to teachers retirement associations in Duluth, Minneapolis, and St. Paul, pursuant to Minnesota Statutes, Section 354A.12, Subdivision 2.

Subd. 3. TEACHERS SOCIAL

	1982	1983
	\$	\$
SECURITY	63,457,100	69,091,000

To the commissioner of employee relations for payment to the federal government, pursuant to Minnesota Statutes, Section 355.46.

The amounts that estimated to be needed for each purpose are as follows:

Contributions

\$63,401,900 \$69,031,000

Costs of Administration

\$ 55,200 \$ 60,000

Sec. 60. GAS TAX REIMBURSEMENT .. 859,100 877,200

This appropriation is from the highway user tax distribution fund.

The commissioner of finance shall transfer to the general fund on January 1 each year the amounts necessary to reimburse the general fund for the cost of collecting the tax on gasoline and gasoline substitutes and the cost of bond premiums during the 1981-83 biennium.

Sec. 61. [APPROPRIATIONS; CURRENT PAYROLL COSTS NOT FUNDED.]

Subdivision 1. [COST OF LIVING.] The cost of living increases covered by this subdivision are those that became effective December 31, 1980 pursuant to sections 43.12, subdivision 10 and 43.127 for classified employees, pursuant to section 43.128 for unclassified employees who are paid salaries comparable to employees in the classified service, and pursuant to action of the appointing authority for unclassified employees in the executive, judicial, and legislative branches of state government, and employees of the Minnesota historical society and academic and nonacademic employees of the University of Minnesota who are paid from state appropriations. For agencies whose request to the legislature in the governor's proposed biennial budget for 1981-83 did not include an amount to pay the annualized cost of the cost of living increases covered by this subdivision, the amounts necessary to pay those costs are appropriated from the various funds in the state treasury from which salaries are paid to the commissioner of finance for the fiscal years ending June 30, 1982 and June 30, 1983. The amount provided by the general fund shall not exceed \$13,872,000 the first year and \$13,872,000 the second year. In the case of salaries that are paid from one fund, but that fund is reimbursed by another fund, the amounts necessary to make these reimbursements are also appropriated.

Subd. 2. [INSURANCE.] For agencies whose request to the legislature in the governor's proposed biennial budget for 1981-83 did not include an amount to pay the annualized cost of the premium rate increases effective October 1, 1980 for basic life insurance and basic health benefit coverage for eligible state employees and their dependents, the amounts necessary to pay those costs are appropriated from the various funds in the state treasury from which these premiums are paid to the commissioner of finance for the fiscal years ending June 30, 1982 and June 30, 1983. The amount provided by the

general fund shall not exceed \$2,504,000 the first year and \$2,504,000 the second year. In the case of premiums that are paid from one fund, but that fund is reimbursed by another fund, the amounts necessary to make these reimbursements are also appropriated.

Sec. 62. [APPROPRIATION; SALARY SUPPLEMENT.]

Subdivision 1. [APPROPRIATION.] *The compensation and economic benefit increases covered by this subdivision are those paid to classified and unclassified employees in the executive, judicial, and legislative branches of state government, and to employees of the Minnesota historical society and academic and nonacademic employees of the University of Minnesota who are paid from state appropriations, if the increases are authorized by law during the 1981 session of the legislature or by appropriate resolutions for employees of the legislature, or are given interim approval by the legislative commission on employee relations pursuant to section 3.855 and section 43.113 or section 179.74, subdivision 5. The amounts necessary to pay compensation and economic benefit increases covered by this subdivision are appropriated from the various funds in the state treasury from which salaries are paid to the commissioner of finance for the fiscal years ending June 30, 1982, and June 30, 1983. The amount provided by the general fund shall not exceed \$55,890,500 the first year and \$122,347,800 the second year. In the case of salaries that are paid from one fund, but that fund is reimbursed by another fund, the amounts necessary to make these reimbursements are also appropriated.*

Subd. 2. [TRANSFER.] *The commissioner shall transfer the necessary amounts to the proper accounts and shall promptly notify the committee on finance of the senate and the committee on appropriations of the house of representatives of the amount transferred to each appropriation account.*

Subd. 3. [UNIVERSITY OF MINNESOTA.] *Money certified as needed by the University of Minnesota and transferred to it under this subdivision shall be used only for the purpose certified. Any amount transferred that exceeds the actual amount of cost of living increases or insurance premium increases paid to or for university employees until June 30, 1983 shall be returned to the general fund.*

Sec. 63. [FEDERAL BLOCK GRANT MONEYS.]

If federal moneys become available to the state for expenditure while the legislature is not in session as a result of consolidation into block grants of federal moneys previously distributed as categorical grants, one-fourth of the federal fiscal year 1982 moneys are allocated as provided by clauses (1) and (2). The balance of the moneys shall be appropriated or allocated by the legislature at its next session or as provided by Minnesota Statutes, Section 3.3005, Subdivisions 1 to 3.

(1) To the extent that the block grant moneys replace federal moneys appropriated for the preceding fiscal year which were distributed to the state, the moneys shall be allocated in proportions equal to their respective shares of the total amount of the moneys included in the governor's budget, otherwise approved pursuant to Minnesota Statutes, Section 3.3005, or authorized by law.

(2) To the extent that the block grant moneys replace federal moneys appropriated during the preceding fiscal year which were distributed directly to local governments or to nongovernmental entities, the moneys shall be allocated and distributed to the same entities and in the same proportion as the federal categorical grants were distributed during the preceding fiscal year, unless

otherwise provided by federal law. Grants for projects the funding of which terminate during the preceding fiscal year shall be subject to review by the legislature pursuant to Minnesota Statutes, Section 3.3005, subdivision 4, and if terminated, the amount of the grant shall not be considered in calculating the distributions pursuant to this clause. Distribution of these moneys shall not be subject to the provisions of Minnesota Statutes, Sections 15.041 to 15.052.

The amounts of each block grant that shall be distributed under clause (1) and clause (2) shall be in proportion to the percentage of the total amount of moneys replaced by the block grant distributed during the preceding fiscal year (a) to the state and (b) directly to local governments or nongovernmental entities.

DEPARTMENT OF ENERGY, PLANNING AND DEVELOPMENT

Sec. 64. [116J.01] [DEPARTMENT OF ENERGY, PLANNING AND DEVELOPMENT.]

Subdivision 1. [APPOINTMENT.] The department of energy, planning and development shall be supervised and controlled by the commissioner of energy, planning and development, who shall be appointed by the governor and serve under the provisions of section 15.06.

Subd. 2. [UNCLASSIFIED POSITIONS.] The commissioner may appoint a deputy commissioner and a personal secretary in the unclassified service.

Subd. 3. [DEPARTMENTAL ORGANIZATION.] The commissioner shall organize the department as provided in section 15.06.

Sec. 65. [116J.02] [TRANSFER OF POWERS.]

Subdivision 1. [STATE PLANNING AGENCY.] All powers, duties, and functions heretofore vested in or imposed on the state planning agency, state planning officer, or the director of planning by sections 4.10 to 4.36 or chapters 116C, 116D, 116G, or any other law relating to the duties and powers of the state planning agency are transferred to, vested in, and imposed on the commissioner of energy, planning and development. The position of director of planning and the state planning agency as heretofore constituted are abolished.

Subd. 2. [ENERGY AGENCY.] All powers, duties, and functions heretofore vested in or imposed on the Minnesota energy agency or the director of the Minnesota energy agency by chapter 116H or any other law relating to the duties and powers of the director of the Minnesota energy agency are transferred to, vested in, and imposed on the commissioner of energy, planning and development. The position of director of the Minnesota energy agency and the Minnesota energy agency as heretofore constituted are abolished.

Subd. 3. [DEPARTMENT OF ECONOMIC DEVELOPMENT.] All powers, duties, and functions heretofore vested in or imposed on the department of economic development or the commissioner of economic development by chapter 362 or any other law relating to the duties and powers of the commissioner of economic development are transferred to, vested in, and imposed on the commissioner of energy, planning and development. The position of commissioner of economic development and the department of economic development as heretofore constituted are abolished.

Subd. 4. [POSITIONS TRANSFERRED.] Personnel positions in the state planning agency, energy agency, department of economic development and crime control planning board in the classified civil service, and temporary positions in the unclassified service established pursuant to section 43.05,

subdivision 2, clause (9), formerly assigned to functions that are transferred by this section to the department of energy, planning and development are continued and transferred to the department of energy, planning and development along with the function transferred.

Subd. 5. [BALANCES TRANSFERRED.] The unexpended balance of any appropriation to the state planning agency, the energy agency, the department of economic development, the crime control planning board, or any of their divisions or agencies is transferred to the commissioner of energy, planning and development, who shall pay all valid claims presented against those appropriations.

Subd. 6. [RECORDS TRANSFERRED.] The director of planning, the director of the energy agency, the commissioner of economic development, and the chairperson of the crime control planning board shall transfer to the commissioner of energy, planning and development all contracts, books, maps, plans, papers, records, and property of every description within his jurisdiction or control.

Subd. 7. [PROCEEDINGS CONTINUED.] Any proceeding, court action, prosecution, or other business or matter that is pending on the effective date of this section and that involved or was commenced by the director of planning, the director of the energy agency, or the commissioner of economic development may be conducted and completed by the commissioner of energy, planning and development in the same manner, under the same terms and conditions, and with the same effect as though it involved or were commenced and conducted or completed by the officer who began it.

Subd. 8. [AUTHORITY CONTINUED.] The authority of the commissioner of energy, planning and development regarding functions transferred to the commissioner by this section is a continuation of the authority of the officer from which it was transferred regarding those functions, with the same force and effect as though the functions, powers, or duties of the officer had not been assigned or transferred, and does not constitute a new authority for the purpose of succession to all rights, powers, duties, and obligations of the officer, as constituted at the time of the assignment or transfer. All rules heretofore promulgated under authority of a power, duty, or responsibility transferred by this section to the commissioner of energy, planning and development shall remain in full force and effect until amended or repealed.

Subd. 9. [PERSONNEL POSITIONS ABOLISHED.] All personnel positions formerly in the state planning agency, energy agency, or department of economic development and not transferred by this section to the department of energy, planning and development are abolished. All staff positions formerly serving the crime control planning board are abolished. Nothing in this section is intended to abrogate or modify any rights now enjoyed by affected employees under terms of an agreement between an exclusive bargaining representative and the state or one of its appointing authorities.

Subd. 10. [REPORT.] The commissioner shall report to the energy and housing committee and the governmental operations committee of the senate and the regulated industries and energy committee and the governmental operation committee of the house of representatives by November 15, 1981. The report shall detail recommendations on the proper organization of state-wide energy functions, including but not limited to, power plant siting and capacity, certification of need, environmental impact studies, rate setting, and the jurisdiction and role of the environmental quality board.

Subd. 11. [REPORT.] The commissioner shall report to the governmental

operations committees of the senate and the house of representatives on the reorganization authorized by this section on or before March 1, 1982.

Sec. 66. [116J.03] [DEFINITIONS.]

Subdivision 1. [SCOPE.] As used in sections 4.11 to 4.30; 4.35; 4.36; 116H.01 to 116H.23; 299A.03; 299A.04; and 362.12 to 362.53, the terms defined in this section have the meaning given them.

Subd. 2. [COMMISSIONER.] "Commissioner" means the commissioner of energy, planning and development.

Subd. 3. [DEPARTMENT.] "Department" means the department of energy, planning and development.

Sec. 67. [116J.04] [ENERGY POLICY DEVELOPMENT COUNCIL.]

A council of 15 members to act in an advisory capacity on energy policy development to the commissioner is created. Members shall be appointed by the governor, with the advice and consent of the senate, one from each congressional district and seven from the state at large. The council members shall broadly represent the scientific, technical, educational, business and labor fields and at least four members shall be from educational and scientific research institutions. The council shall develop recommendations on policy for energy issues and energy needs and shall advise the commissioner on the energy related functions of the department. The commissioner shall report to the legislature on the major energy policy recommendations of the council. The council shall organize and elect among its members such other officers as it may deem necessary. The council shall meet at the call of the chair. The terms, compensation and removal of members shall be as provided by section 15.059. The council may advise the commissioner on the transfer of energy agency personnel and functions.

Sec. 68. Minnesota Statutes 1980, Section 3.922, Subdivision 1, is amended to read:

Subdivision 1. [CREATION, MEMBERSHIP.] There is created a state Indian affairs intertribal board to consist of the following ex-officio members: The governor or a member of his official staff designated by him, the commissioner of education, the commissioner of public welfare, the commissioner of natural resources, the commissioner of human rights, the commissioner of ~~economic development~~ energy, planning and development, the commissioner of corrections, the executive director of the Minnesota housing finance agency, the commissioner of iron-range resources and rehabilitation, and the commissioner of health each of whom may designate a member of his staff to serve in his place, three members of the state house of representatives appointed by the speaker of the house of representatives, and three members of the state senate appointed by the committee on committees of the senate. Voting members of the board shall be: the duly elected tribal chairmen of the Fond du Lac reservation business committee; the Grand Portage reservation business committee; the Mille Lacs reservation business committee; the White Earth reservation business committee; the Bois Forte (Nett Lake) reservation business committee; the Leech Lake reservation business committee; the Red Lake tribal council; the Upper Sioux board of trustees; the Lower Sioux tribal council; the Shakopee-Mdewankanton general council; the Prairie Island tribal council; and two members to be selected pursuant to subdivision 2. The chairmen of the above Indian committees, trusts, or councils may designate in writing a member who shall have been elected at large to an office in the committee, trust, or council, to serve in his place. Board members appointed to represent

the state house of representatives, the state senate or tribal governments shall no longer serve on the board at such time as they are no longer members of the bodies which they represent, and upon such circumstances, their offices shall be vacant. A member who is a designee of a tribal chairman shall cease to be a member at the end of the term of the tribal chairman who designated him. Ex-officio members or their designees on the board shall not be voting members of the board.

Sec. 69. Minnesota Statutes 1980, Section 4.10, is amended to read:

4.10 [STATEWIDE PLANNING; PURPOSES.]

In order that the state benefit from an integrated program for the development and effective employment of its resources, and in order to promote the health, safety, and general welfare of its citizens, it is in the public interest that a ~~planning agency department~~ be created in the executive branch of the state government to engage in a program of comprehensive statewide planning. The ~~agency department~~ shall act as a directing, advisory, consulting, and coordinating agency to harmonize activities at all levels of government, to render planning assistance to all governmental units, and to stimulate public interest and participation in the development of the state.

Sec. 70. Minnesota Statutes 1980, Section 4.11, Subdivision 4, is amended to read:

Subd. 4. To the greatest extent practicable the ~~state planning officer commissioner~~ shall limit the permanent staff engaged in the programs authorized by sections 4.10 to 4.17 and shall contract for basic research, employ consultants, and use the existing facilities of state departments and agencies. It is desirable that he utilize the facilities of the university of Minnesota to provide (a) continuing geographic projection and detailed studies of the state's population, economy, and land use; (b) a central repository for the research data necessary for such functions; and (c) educational activities essential to the implementation of state planning.

Sec. 71. Minnesota Statutes 1980, Section 4.11, Subdivision 5, is amended to read:

Subd. 5. The governor may direct any state department or other agency of the state government to furnish the ~~state planning agency commissioner~~ with such personnel, equipment, and services as are necessary to enable ~~it~~ ~~commissioner~~ to carry out ~~its~~ ~~the commissioner's~~ powers and duties, and prescribe the terms thereof. When requested by the ~~state planning agency commissioner~~ to perform planning work, state agencies will be expected to use existing staff.

Sec. 72. Minnesota Statutes 1980, Section 4.11, Subdivision 8, is amended to read:

Subd. 8. Within the organization of the state ~~planning agency department of energy, planning and development~~, the position of state demographer shall be appointed by and serve under the supervision and control of the ~~director of planning commissioner~~. The state demographer shall be professionally competent in the field of demography and shall possess demonstrated ability, based upon experience and past performance.

Sec. 73. Minnesota Statutes 1980, Section 4.12, is amended to read:

4.12 [POWERS AND DUTIES.]

Subdivision 1. The ~~state planning officer~~ *commissioner* shall:

(1) Prepare comprehensive, long range recommendations for the orderly and coordinated growth of the state including detailed recommendations for long range plans of operating state departments and agencies.

(2) The state, in the development of long range planning, shall take into consideration its relationship to local units of government and the planning to be accomplished on such levels.

Subd. 2. The ~~state planning officer~~ *commissioner* shall:

(1) Review current programming and future planning of all state departments and agencies.

(2) Report regularly and on or before November 15 of each even numbered year to the legislature, reviewing in each report the state planning program, and the progress and development thereof. Thereafter, as soon as practicable, he shall make recommendations for desirable legislation and necessary appropriations.

(3) To the extent practicable coordinate with state budgets the items therein relating to and reflecting statewide planning as authorized by the legislature and as recommended for the consideration of the legislature.

(4) Require each state department and agency having planning programs to regularly file copies thereof with him for review.

(5) Make available to the legislature or any authorized committee or commission thereof information concerning statewide development plans and basic research from which the plans have been developed.

(6) Act as the coordinating agency for the planning activities of all state departments and agencies and local levels of government.

(7) Review all plans filed with the federal government by state departments and agencies pursuant to section 16A.30, or any other law as a part of his duties prescribed by this section. The commissioner of finance shall furnish the ~~state planning officer~~ *commissioner* the information required by this clause.

(8) Encourage the development of planning programs by state departments and agencies and local levels of government.

(9) Act as the coordinating agency for submission of the environmental impact statements required by the National Environmental Policy Act and the state's comments thereon to the appropriate federal agencies.

Subd. 3. The ~~state planning officer~~ *commissioner*: (1) shall appear before the Minnesota municipal board when requested by the board to present studies and data regarding any annexation, incorporation, or detachment proceedings pending before the board;

(2) may contract with a county or regional planning agency or a planning consultant for the making of studies and the compiling of data relating to any annexation, incorporation, or detachment proceedings before the board;

(3) at his discretion or upon the written request of any governmental unit, group of governmental units, or a regional planning agency, may conduct studies relating to the feasibility of annexation, incorporation, or consolidation

of a town or governmental units. ~~Such~~ The studies shall be undertaken only in areas where there is reasonable grounds to believe that problems of urban growth may require the incorporation, or consolidation of governmental units, or the annexation of unincorporated areas in order to provide essential urban services.

Subd. 4. The ~~office of local and urban affairs~~ commissioner shall: (1) undertake studies to obtain information and data on urban and rural needs, assistance programs, and activities. ~~It~~ The commissioner shall provide technical assistance and advice in the solution of such problems. The duties of the ~~office~~ commissioner shall include, but are not limited to, the assembly, the correlation, and dissemination of physical, social, and economic development data to inform local governmental units and interested persons and organizations of the availability and status of federal, state, and local programs and other resources for the solution of urban and rural problems;

(2) make available to the governor and the legislature pertinent information relating to federal grants in aid to local governmental units and an analysis thereof;

(3) inform local governmental units about federal programs of social or economic aid or assistance for which they are eligible, together with the criteria, standards, and conditions upon which ~~such~~ the aid is based.

Subd. 5. The ~~office of local and urban affairs~~ commissioner: (1) shall not undertake on behalf of any local governmental unit the responsibility of filling out application forms for federal grants in aid unless required by federal law or regulation promulgated thereunder, but instead will limit ~~its~~ the activities of the department in relation to federal aid applications to the publication and distribution of manuals and the furnishing of advice and otherwise guide the officers of local governmental units in properly making out required application forms;

(2) shall not be responsible in any way to promote any federal grant in aid or planning program;

(3) shall coordinate information which shall be submitted to ~~it~~ the commissioner by a special district or region recognized by the federal government with responsibility of reviewing federal grants in aid applications for community and nonprofit corporations within the district or region. ~~Such~~ Special districts or regions shall submit copies of approved applications for ~~such~~ this purpose. Unless the requirements of this clause are complied with no state department or agency may provide assistance or funds for any project submitted to the federal government through a special district or region. Where there is a metropolitan planning agency or regional council created by law, the state planning officer commissioner may delegate to ~~such~~ the council or agency the responsibilities of this clause;

(4) shall have only advisory responsibility or jurisdiction in any area of the state within the jurisdiction of a metropolitan planning agency or regional council created by law.

Subd. 6. The ~~director of planning~~ commissioner shall:

(1) Employ personnel with qualifications as are needed to perform the duties prescribed in this section. To the greatest extent practicable, the ~~director of~~

~~planning~~ *commissioner* shall limit the permanent demographic staff and shall contract for basic research, employ consultants, and use the existing facilities of state departments, other agencies, and the state educational institutions, and

(2) Utilize the computer facilities of the state or state educational institutions for the research data necessary for periodic population projections.

Subd. 7. The ~~state demographer~~ *commissioner*:

(1) Shall continuously gather and develop demographic data within the state;

(2) Shall design and test methods of research and data collection;

(3) Shall have the power to call upon any agency of the state or political subdivision for data as may be available, and the agencies and political subdivisions shall cooperate to the fullest extent possible;

(4) Shall periodically prepare population projections for designated regions and for the state and may periodically prepare projections for each county, or other political or geographic division;

(5) Shall review, comment, and prepare analysis of population estimates and projections made by state agencies, political subdivisions, other states, federal agencies or nongovernmental persons, institutions or commissions;

(6) Shall serve as the state liaison with the federal bureau of census, shall coordinate his activities with federal demographic activities to the fullest extent possible, and shall aid the legislature in preparing a census data plan and form for each decennial census;

(7) Shall compile an annual study of population estimates on the basis of county, regional or other political or geographic divisions as necessary to carry out the purposes of ~~Laws 1974, Chapter 327~~ *this subdivision and section 4.125*;

(8) Shall, on or before January 1 of each year, issue a report to the legislature containing an analysis of the demographic implications of the annual population study and population projections;

(9) Shall cause to be prepared maps of all counties in the state, all municipalities with a population of 10,000 or more, and any other municipalities as deemed necessary for census purposes, according to scale and detail recommended by the federal bureau of the census, with the maps of cities showing boundaries of precincts; and

(10) Shall annually prepare a population estimate for each governmental subdivision for which the metropolitan council does not prepare an annual population estimate; and shall communicate the estimate to the governing body of each governmental subdivision by May 1 of each year.

Subd. 8. The ~~state planning officer~~ *commissioner* may charge a fee to each user of the Minnesota land management information system.

Sec. 74. Minnesota Statutes 1980, Section 4.125, is amended to read:

4.125 [POPULATION ESTIMATES AND PROJECTIONS, SUBMISSION BY STATE AGENCIES:]

Each state agency shall submit to the ~~director of planning~~ *commissioner* for his comment all population estimates and projections prepared by it prior to:

- (a) Submitting those estimates and projections to the state legislature or federal government to obtain appropriations or grants,
- (b) The issuance of bonds based upon those estimates and projections, and
- (c) Releasing any plan based upon those estimates and projections.

Sec. 75. Minnesota Statutes 1980, Section 4.13, is amended to read:

4.13 [COOPERATIVE CONTRACTS.]

The ~~state planning officer~~ *commissioner* may apply for, receive and expend ~~funds money~~ from municipal, county, regional and other planning agencies; apply for, accept, and disburse grants and other aids for planning purposes from the federal government and from other public or private sources, and may enter into contracts with agencies of the federal government, local governmental units, the university of Minnesota, and other educational institutions, and private persons as may be necessary in the performance of his duties. Contracts made pursuant to this section shall not be subject to the provisions of chapter 16, as they relate to competitive bidding.

The ~~state planning officer~~ *commissioner* may apply for, receive, and expend ~~funds money~~ made available from federal sources or other sources for the purposes of carrying out the duties and responsibilities of the ~~office of commissioner relating to~~ local and urban affairs.

All moneys received by the ~~state planning officer~~ *commissioner* pursuant to this section shall be deposited in the state treasury and are ~~hereby~~ appropriated ~~annually therefrom~~ to the ~~state planning officer~~ *commissioner* for the purposes for which ~~such the~~ moneys have been received. ~~None of such~~ The money shall not cancel and shall be available until expended.

Sec. 76. Minnesota Statutes 1980, Section 4.17, is amended to read:

4.17 [RULES AND REGULATIONS.]

No moneys, regardless of the source thereof, made available to the ~~state planning officer~~ *commissioner* pursuant to sections 4.10 to 4.17 or any other law shall be expended by him for planning programs until he promulgates and adopts rules ~~and regulations~~ prescribing the criteria, standards, and procedures to govern the expenditure thereof. ~~Such~~ The rules ~~and regulations~~ shall be ~~promulgated and~~ adopted under the administrative procedure act as contained in chapter 15, and shall conform with all terms and conditions imposed on the ~~state planning officer~~ *commissioner* when ~~such the~~ moneys are made available to him.

Sec. 77. Minnesota Statutes 1980, Section 4.18, Subdivision 2, is amended to read:

Subd. 2. [POLICY.] The ~~state planning agency~~ *commissioner* shall recommend policies relating to the location of any new buildings proposed by the state or any of its departments or agencies and shall recommend policies relating to the location of state facilities and offices. The policies shall require that whenever feasible and practicable, after due consideration having been given to the functions, uses and services for which ~~such the~~ buildings or offices are required, ~~that such the~~ buildings, facilities and offices, shall be located in areas of the state not included in a standard metropolitan statistical area to the end that a more equitable balance between urban areas and rural areas in the

location of state facilities be finally accomplished. The policies shall provide that in determining the location of ~~any such~~ the building, facility or office, first priority shall be given to locating it where the service need dictates. Second priority shall be given to locating the building, facility or office outside of a standard metropolitan statistical area, to avoid over-urbanization. The policies shall not apply when the legislature has designated the specific location of ~~any such~~ the building facility or office.

Sec. 78. Minnesota Statutes 1980, Section 4.191, is amended to read:

4.191 [PLANNING PROGRAMS.]

Prior to commencing a study, research, or planning program, a state agency or department shall file with the ~~state planning agency commissioner~~ on a form prescribed by the ~~agency commissioner~~, a description of the proposed project, including title, purpose, staff assigned, consultants to be used, cost, completion date, and other information prescribed by the agency as appropriate. The ~~agency commissioner~~ shall develop rules to exclude from the filing requirement projects that the ~~agency commissioner~~ determines are of minor significance.

Upon completion of the project, a copy shall be filed with the ~~state planning agency commissioner~~. The ~~state planning agency commissioner~~ shall review the planning programs of state departments and agencies and submit to the legislature by November 15 of each year a report of findings and recommendations.

Sec. 79. Minnesota Statutes 1980, Section 4.26, Subdivision 1, is amended to read:

Subdivision 1. In order to improve the land use decision-making capability of local government, the ~~state planning agency commissioner~~ shall make grants to the metropolitan council pursuant to section 4.30, and to towns, counties, municipalities, and Indian reservations. The ~~state planning agency commissioner~~ shall give priority when granting ~~funds money~~ to those areas that show a special need according to the provisions of clauses (a) and (b). The grants may be used to employ staff or contract with other units of government or qualified consultants for the following purposes:

(a) To prepare and implement plans which are required for certain areas by law or by designation as a critical area under chapter 116G.

(b) To prepare and implement plans which the unit of government is authorized by law to undertake for the management of problems resulting from (1) rapid population or economic growth or decline; (2) potential development in environmentally sensitive areas including but not limited to flood plains, wild and scenic rivers, and shorelands; and (3) the addition or elimination of a major state or federal facility;

(c) To assist neighborhood organizations in cities of the first class to do land use and related planning by making grants to the municipality;

(d) To analyze and prepare plans to preserve and protect agricultural land as defined in ~~Minnesota Statutes 1974~~, section 500.24.

Sec. 80. Minnesota Statutes 1980, Section 4.27, is amended to read:

4.27 [ADMINISTRATION.]

The ~~state planning agency~~ *commissioner* shall determine priorities pursuant to section 4.26, and shall promulgate rules for the submittal and review of applications hereunder in accordance with the provisions of chapter 15.

Sec. 81. Minnesota Statutes 1980, Section 4.29, is amended to read:

4.29 [REGIONAL DEVELOPMENT COMMISSION REVIEW.]

An application for grants from this program shall be submitted to the appropriate regional development commission for review pursuant to ~~Minnesota Statutes 1974,~~ section 462.391, Subdivision 3, prior to the submittal to the ~~state planning agency~~ *commissioner*. The regional development commission shall complete its review within 45 days after receipt of the application. If an application is not reviewed within the requisite time limit or if an extension of time is not agreed to by the affected parties, the application shall be deemed approved. Until units of local government in the metropolitan area as defined by section 473.02 are required by law to prepare and adopt comprehensive plans or portions thereof, the review required by this section shall be made by the metropolitan council for units of local government in the metropolitan area.

Sec. 82. Minnesota Statutes 1980, Section 4.35, is amended to read:

4.35 [TRAIL PLANNING.]

The ~~state planning agency~~ *commissioner*, in cooperation with the commissioner of natural resources, metropolitan council, and commissioner of transportation, shall review and coordinate plans for trails acquisition and development and trail development grants pursuant to sections 4.36, 85.015, 85.016, 160.265, 473.147, and 473.301 to 473.341.

Sec. 83. Minnesota Statutes 1980, Section 4.36, Subdivision 2, is amended to read:

Subd. 2. [GRANTS FOR PARKS AND TRAILS.] The ~~state planning agency~~ *commissioner* shall administer a program to provide grants to units of government located within standard metropolitan statistical areas, as designated by the United States office of management and budget, but outside of the metropolitan area defined in section 473.121. The grants shall be for acquisition and betterment by units of government of public land and improvements needed for parks, trails, conservatories, zoos and other special use facilities having recreational significance for the entire population of the particular standard metropolitan statistical area. Appropriations made for this purpose shall be expended with the approval of the governor after consultation with the legislative advisory commission. The legislative commission on Minnesota resources shall make recommendations to the legislative advisory commission regarding the expenditures. The local contribution required shall be identical to that required by the legislative commission on Minnesota resources for grants-in-aid for recreation open space of regional significance. The program shall be administered so as to ensure the maximum possible use of available federal money.

Sec. 84. Minnesota Statutes 1980, Section 4.36, Subdivision 3, is amended to read:

Subd. 3. [GRANTS FOR TRAILS IN LOCAL PARKS.] The ~~state planning agency~~ *commissioner* shall administer a program to provide grants to units of government for the betterment of public land and improvements needed for

recreational trails in parks owned and operated by units of government. A grant shall not exceed 40 percent of the costs of the betterment of the trail. To be eligible for a grant, a unit of government must provide at least ten percent of the costs of the betterment of the trail.

Sec. 85. Minnesota Statutes 1980, Section 4.36, Subdivision 4, is amended to read:

Subd. 4. [GRANTS FOR LOCAL OUTDOOR ATHLETIC COURTS.] The ~~state planning agency commissioner~~ shall administer a program to provide grants to units of government for the betterment of public land and improvements needed for local athletic courts. A grant shall not exceed 50 percent of the costs of the betterment of the athletic court. To be eligible for a grant, a unit of government must provide at least 50 percent of the costs of the betterment of the athletic court. In making grants the ~~agency commissioner~~ shall consider, among other factors, evidence of cooperation between units of government, local need and available financial resources, and court locations that encourage maximum use, patronage, and availability.

Sec. 86. Minnesota Statutes 1980, Section 4.36, Subdivision 5, is amended to read:

Subd. 5. [POWERS; RULES.] The ~~director of the state planning agency commissioner~~ shall have all powers necessary and convenient in order to establish programs for recreational betterment grants-in-aid for parks, trails, and athletic courts pursuant to this section including, but not limited to, the authority to adopt rules ~~and regulations~~ for the programs, pursuant to chapter 15, and emergency rules ~~and regulations~~ to commence immediately the programs, pursuant to section 15.0412.

Sec. 87. Minnesota Statutes 1980, Section 15.01, is amended to read:

15.01 [DEPARTMENTS OF THE STATE.]

The following agencies are designated as the departments of the state government: the department of administration; the department of agriculture; the department of commerce; the department of corrections; ~~the department of economic development~~; the department of education; the department of economic security; ~~the department of energy, planning and development~~; the department of finance; the department of health; the department of human rights; the department of labor and industry; the department of military affairs; the department of natural resources; the department of employee relations; the department of public safety; the department of public service; the department of public welfare; the department of revenue; the department of transportation; the department of veterans affairs; and their successor departments.

Sec. 88. Minnesota Statutes 1980, Section 15.057, is amended to read:

15.057 [PUBLICITY REPRESENTATIVES.]

No state department, bureau or division, whether the same operates on funds appropriated or receipts or fees of any nature whatsoever, except the department of transportation, the department of ~~economic development~~ ~~energy, planning and development~~, the game and fish division, the department of economic security, and the state agricultural society shall use any of such funds for the payment of the salary or expenses of a publicity representative. The head of any such department, bureau, or division shall be personally liable for

funds used contrary to this provision. This act shall not be construed, however, as preventing any such department, bureau, or division from sending out any bulletins or other publicity required by any state law or necessary for the satisfactory conduct of the business for which such department, bureau, or division was created.

Sec. 89. Minnesota Statutes 1980, Section 15.50, Subdivision 2, is amended to read:

Subd. 2. (a) The board shall prepare, prescribe, and from time to time amend a comprehensive use plan for the capitol area, herein called the area which shall initially consist of that portion of the city of Saint Paul comprehended within the following boundaries: Beginning at the point of intersection of the centerline of the Arch-Pennsylvania freeway and the centerline of Marion Street, thence southerly along the centerline of Marion Street to the north line of the right-of-way of Interstate Highway 94, thence easterly along the said north line to the centerline of Cedar Avenue, thence southeasterly along the centerline of Cedar Avenue to the centerline of Tenth Street, thence northeasterly along the centerline of Tenth Street to the centerline of Minnesota Street, thence northwesterly along the centerline of Minnesota Street to the centerline of Eleventh Street, thence northeasterly along the centerline of Eleventh Street to the centerline of Jackson Street, thence northwesterly along the centerline of Jackson Street to the centerline of the Arch-Pennsylvania freeway extended, thence westerly along the centerline of the Arch-Pennsylvania freeway extended and Marion Street to the point of origin. Pursuant to the comprehensive plan, or any portion thereof, the board may regulate, by means of zoning regulations adopted pursuant to the administrative procedure act, the kind, character, height, and location, of buildings and other structures constructed or used, the size of yards and open spaces, the percentage of lots that may be occupied, and the uses of land, buildings and other structures, within the area. To protect and enhance the dignity, beauty and architectural integrity of the capitol area, the board is further empowered to include in its zoning rules design review procedures and standards with respect to any proposed construction activities in the capitol area significantly affecting the dignity, beauty and architectural integrity of the area. No person shall undertake these construction activities as defined in the board's rules in the capitol area unless he has first submitted construction plans to the board, obtained a zoning permit from the board and received a written certification from the board specifying that he has complied with all design review procedures and standards. Violation of the zoning regulations is a misdemeanor. The board may, at its option, proceed to abate any violation by injunction. The board and the city of St. Paul shall cooperate in assuring that the area adjacent to the capitol area is developed in a manner that is in keeping with the purpose of the board and the provisions of the comprehensive plan.

(b) The commissioner of administration shall act as a consultant to the board with regard to the physical structural needs of the state. He shall make studies and report the results to the board when they request him to do so for their planning purpose.

(c) No public building, street, parking lot, or monument, or other construction shall be built or altered on any public lands within the area unless the plans for the same conforms to the comprehensive use plan as specified in clause (d) and to the requirement for competitive plans as specified in clause (e). No

alteration substantially changing the external appearance of any existing public building approved in the comprehensive plan or the exterior or interior design of any proposed new public building the plans for which were secured by competition under clause (e), may be made without the prior consent of the board. The commissioner of administration shall consult with the board regarding internal changes having the effect of substantially altering the architecture of the interior of any proposed building.

(d) The comprehensive plan shall show the existing land uses and recommend future uses including: areas for public taking and use; zoning for private land and criteria for development of public land, including building areas and open spaces; vehicular and pedestrian circulation; utilities systems; vehicular storage; elements of landscape architecture. No substantial alteration or improvement shall be made to public lands or buildings in the area save with the written approval of the board.

(e) The board shall secure by competitions, plans for any new public building. Plans for any comprehensive plan, landscaping scheme, street plan, or property acquisition, which may be proposed, or for any proposed alteration of any existing public building, landscaping scheme or street plan may be secured by a similar competition. Such competition shall be conducted under rules prescribed by the board and may be of any type which meets the competition standards of the American Institute of Architects. Designs selected shall become the property of the state of Minnesota and the board may award one or more premiums in each such competition and may pay such costs and fees as may be required for the conduct thereof. At the option of the board, plans for projects estimated to cost less than \$1,000,000 may be approved without competition provided such plans have been considered by the advisory committee described in clause (f). Plans for projects estimated to cost less than \$400,000 and for construction of streets need not be considered by the advisory committee if in conformity with the comprehensive plan.

(f) The board shall not adopt any plan under clause (e) unless it first receives the comments and criticism of an advisory committee of three persons, each of whom is either an architect or a planner, who have been selected and appointed as follows: one by the board of the arts, one by the board, and one by the Minnesota Society of the American Institute of Architects. Members of the committee shall not be contestants under clause (e). The comments and criticism shall be a matter of public information. The committee shall advise the board on all architectural and planning matters. For that purpose:

(1) The committee shall be kept currently informed concerning, and have access to, all data, including all plans, studies, reports and proposals, relating to the area as the same are developed or in the process of preparation whether by the commissioner of administration, the state planning director, the metropolitan council, the city of Saint Paul, or by any architect, planner, agency or organization, public or private, retained by the board or not retained and engaged in any work or planning relating to the area. A copy of any such data prepared by any public employee or agency shall be filed with the board promptly upon completion;

(2) The board may employ such stenographic or technical help as may be reasonable to assist the committee to perform its duties;

(3) When so directed by the board, the committee may serve as, and any

member or members thereof may serve on, the jury or as professional advisor for any architectural competition. The board shall select the architectural advisor and jurors for any competition with the advice of the committee and

(4) The city of St. Paul shall advise the board.

(g) The comprehensive plan for the area shall be developed and maintained in close cooperation with the ~~state planning agency~~ *commissioner of energy, planning and development* and the planning department and the council for the city of Saint Paul and the board of the arts, and no such plan or amendment thereof shall be effective without 90 days' notice to the planning department of the city of Saint Paul and the board of the arts.

(h) The board and the commissioner of administration jointly, shall prepare, prescribe, and from time to time revise standards and policies governing the repair, alteration, furnishing, appearance and cleanliness of the public and ceremonial areas of the state capitol building. Pursuant to this power, the board shall consult with the director of the Minnesota state historical society and receive his advice regarding the historic fidelity of plans for the capitol building. The standards and policies developed as herein provided shall be binding upon the commissioner of administration. The provisions of sections 15.0411 to 15.0426 shall not apply to this clause.

(i) The board in consultation with the commissioner of administration shall prepare and submit to the legislature and the governor no later than October 1 of each even-numbered year a report on the status of implementation of the comprehensive plan together with a program for capital improvements and site development, and the commissioner of administration shall provide the necessary cost estimates for the program.

(j) The state shall, by the attorney general upon the recommendation of the board and within appropriations available for that purpose, acquire by gift, purchase or eminent domain proceedings any real property situated in the area described in this section and it shall also have the power to acquire an interest less than a fee simple interest in the property, if it finds that it is needed for future expansion or beautification of the area.

(k) The board is the successor of the state veterans' service building commission, and as such may adopt regulations and may reenact the regulations adopted by its predecessor under Laws 1945, Chapter 315, and acts amendatory thereof.

(l) The board shall meet at the call of the chairman and at such other times as it may prescribe.

(m) The commissioner of administration shall assign quarters in the state veterans service building to (1) the department of veterans affairs of which such part as the commissioner of administration and commissioner of veterans affairs may mutually determine shall be on the first floor above the ground and (2) the American Legion, Veterans of Foreign Wars, Disabled American Veterans, Military Order of the Purple Heart, United Spanish War Veterans, and Veterans of World War I, and their auxiliaries, incorporated, or when incorporated, under the laws of the state, and (3) as space becomes available to such other state departments and agencies as he may deem desirable.

Sec. 90. Minnesota Statutes 1980, Section 15A.081, Subdivision 1, is amended to read:

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	Effective July 1, 1981
Administration, department of commissioner	\$44,000	\$47,000	
Administrative hearings office chief hearing examiner	38,000	40,000	
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 and real estate	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	
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	

	1979	1980	1981
<i>Energy, planning and development department of commissioner</i>		46,000	
Finance, department of commissioner	48,000	50,000	
Health, department of commissioner	47,000	49,000	
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	
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	
Natural resources, department of commissioner	44,000	47,000	
Personnel, department of commissioner	44,000	47,000	
Planning agency director	43,000	45,000	
Pollution control agency director	38,000	40,000	
Public safety, department of commissioner	38,000	41,000	

	1979	1980	1981
Public service, department of commissioner, public utilities commission	34,000	36,000	
director	34,000	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	
Transportation, regulation board, board member		32,000	
Veterans affairs, department of commissioner	31,000	33,000	

Sec. 91. Minnesota Statutes 1980, Section 16.014, Subdivision 1, is amended to read:

Subdivision 1. The commissioner of administration may establish a regional service center on a demonstration basis. ~~The state planning agency and the regional development commission of region No. 2 shall cooperate with the commissioner in establishing the service center.~~ The commissioner shall determine which state agencies shall be included in the service center. The commissioner may determine equitable methods of sharing space, personnel and equipment for the agencies he selects to participate in the demonstration service center.

Sec. 92. Minnesota Statutes 1980, Section 16.084, is amended to read:

16.084 [ENCOURAGEMENT OF PARTICIPATION.]

The commissioners of administration and ~~economic development~~ *energy, planning and development* shall publicize the provisions of the set-aside program, attempt to locate small businesses able to perform set-aside procurement awards, and encourage participation. When the commissioner of administration determines that a small business is unable to perform under a set-aside contract, he shall so inform the commissioner of ~~economic development~~ *energy, planning and development* who shall assist the small business in attempting to remedy the causes of the inability to perform a set-aside award. In assisting the small business, the commissioner of ~~economic development~~ *energy, planning and development* in cooperation with the commissioner of administration shall use any management or financial assistance programs as may be available by or through the department of ~~economic development~~ *energy, planning and development*, other state or governmental agencies, or

private sources.

Sec. 93. Minnesota Statutes 1980, Section 16.086, Subdivision 1, is amended to read:

Subdivision 1. [COMMISSIONER OF ADMINISTRATION.] The commissioner of administration shall submit an annual report pursuant to section 3.195 to the governor and the legislature with a copy to the commissioner of ~~economic development~~ *energy, planning and development* indicating the progress being made toward the objectives and goals of sections 16.081 to 16.086 during the preceding fiscal year. This report shall include the following information:

(a) The total dollar value and number of potential set-aside awards identified during this period and the percentage of total state procurement this figure reflects;

(b) The number of small businesses identified by and responding to the set-aside program, the total dollar value and number of set-aside contracts actually awarded to small businesses with appropriate designation as to the total number and value of set-aside contracts awarded to each small business, and the total number of small businesses that were awarded set-aside contracts;

(c) The total dollar value and number of set-aside contracts awarded to small businesses owned and operated by economically or socially disadvantaged persons with appropriate designation as to the total number and value of set-aside contracts awarded to each small business, and the percentages of the total state procurements the figures of total dollar value and the number of set-asides reflect;

(d) The number of contracts which were designated and set-aside pursuant to section 16.083 but which were not awarded to a small business, the estimated total dollar value of these awards, the lowest offer or bid on each of these awards made by the small business and the price at which these contracts were awarded pursuant to the normal procurement procedures.

Sec. 94. Minnesota Statutes 1980, Section 16.086, Subdivision 2, is amended to read:

Subd. 2. [COMMISSIONER OF ~~ECONOMIC DEVELOPMENT ENERGY, PLANNING AND DEVELOPMENT.~~] The commissioner of ~~economic development~~ *energy, planning and development* shall submit an annual report to the governor and the legislature pursuant to section 3.195 with a copy to the commissioner of administration. This report shall include the following information:

(a) The efforts undertaken to publicize the provisions of the set-aside program during the preceding fiscal year;

(b) The efforts undertaken to identify small businesses including those owned and operated by socially or economically disadvantaged persons, and the efforts undertaken to encourage participation in the set-aside program;

(c) The efforts undertaken by the commissioner to remedy the inability of small businesses to perform on potential set-aside awards; and

(d) The commissioner's recommendations for strengthening the set-aside program and delivery of services to small businesses.

Sec. 95. Minnesota Statutes 1980, Section 16.125, Subdivision 2, is amended to read:

Subd. 2. A transfer made pursuant to subdivision 1 shall be in the form of a reorganization order. A reorganization order shall be filed with the secretary of state, shall be uniform in format and shall be numbered consecutively. An order shall be effective upon filing with the secretary of state and shall remain in effect until amended or superseded. Copies of the filed order shall be delivered promptly by the commissioner to the secretary of the senate and the chief clerk of the house. A reorganization order which transfers all or substantially all of the powers or duties or personnel of a department, ~~the energy agency~~, the housing finance agency or the pollution control agency shall not be effective until ratified by concurrent resolution or enacted into law.

Sec. 96. Minnesota Statutes 1980, Section 16.756, Subdivision 1, is amended to read:

Subdivision 1. In order to conserve energy and to alleviate traffic congestion in and about the location of state offices, the commissioner of administration shall, in cooperation with the ~~director of the Minnesota energy agency~~ *commissioner of energy, planning and development*, the commissioner of transportation and interested nonprofit agencies, establish and operate an employee transportation program utilizing commuter vans with a capacity of not less than seven nor more than 16 passengers. The commissioner shall acquire or lease commuter vans, or otherwise contract for the provision of commuter vans, and shall make the vans available for the use of state employees and blind vending operators in a manner consistent with standards and procedures adopted by the commissioner. Standards and procedures adopted pursuant to this subdivision shall not be subject to chapter 15. Commuter vans may be used by state employees and blind vending operators to travel between their homes and their work locations, and for personal purposes after working hours, not including partisan political activity. The commissioner shall provide in his standards and procedures for the recovery by the state of vehicle acquisition, lease, operation and insurance costs through efficient and convenient assignment of vans, and for the billing of costs and collection of fees. A state employee using a van for personal use shall pay, pursuant to the standards and procedures adopted by the commissioner, for operating and routine maintenance costs incurred as a result of the personal use. The commissioner shall promote the maximum practicable participation of state employees and blind vending operators in the use of the vans. Fees collected pursuant to this subdivision shall be deposited in the accounts from which the costs of operating, maintaining and leasing or amortizing acquisition costs for the specific vehicle are paid.

Sec. 97. Minnesota Statutes 1980, Section 18.023, Subdivision 11, is amended to read:

Subd. 11. [REPORT TO THE LEGISLATURE.] On or before January 31 of each year, the commissioner shall report to the legislature on the preceding year's approved disease control programs and any experimental programs conducted pursuant to subdivision 10a. The commissioner, with the assistance of the ~~Minnesota energy agency~~ *commissioner of energy, planning and development*, shall investigate and evaluate the potential uses of wood infected with shade tree disease, including the uses as an alternative energy source and as a component in the construction or manufacture of new products. ~~The commissioner shall include the results of the investigation and any recommendations for proposed relevant legislation in the report to the legislature due on or before January 31, 1979.~~

Sec. 98. Minnesota Statutes 1980, Section 18.024, Subdivision 1, is amended to read:

Subdivision 1. The department of agriculture, in cooperation with the ~~Minnesota energy agency~~ *commissioner of energy, planning and development* and the Minnesota shade tree advisory committee, shall draft recommendations for wood utilization or disposal systems as defined in section 18.023. These recommendations shall encourage maximum utilization of diseased shade trees. In addition to insuring maximum utilization, the recommendations shall be designed to insure public safety and to assure compliance with approved disease control programs.

Sec. 99. Minnesota Statutes 1980, Section 43.09, Subdivision 2a, is amended to read:

Subd. 2a. [ADDITIONAL UNCLASSIFIED POSITIONS.] Notwithstanding any other law to the contrary, the commissioner, upon the request of the governor, is hereby authorized to establish permanent unclassified positions, or to unclassify previously classified positions, provided that:

(1) Positions so established involve only deputy or assistant heads of departments or agencies, or director level positions which are not specifically established by law, and who are appointed by and report directly to a head of a department or agency who is required by law to be appointed by the governor, or by a gubernatorially appointed board; as well as one position for a personal secretary of any head of a department or agency listed in clause (4).

(2) Classified incumbents of such positions, if any, are not removed from that position for a period of one year except under applicable provisions of rules and laws governing classified state employees. An incumbent of a position that is declassified pursuant to this subdivision, if he so requests within 120 days after being removed from that position, shall be appointed to a classified position comparable to the position that was declassified, or if such a position is unavailable, to a position comparable to that which he held immediately prior to being appointed to the position that was declassified. If a position is declassified and the incumbent at the time the position was declassified had no classified status immediately prior to the appointment to the position that was declassified, he shall, if he so requests within 120 days after being removed from that position, be appointed to a comparable or lower classified position within two salary ranges of the position that was declassified.

(3) If an employee in the classified civil service accepts a newly created unclassified position, he shall retain an inactive classified civil service status and, upon his request, shall be reappointed to a classified position comparable to that which he held immediately prior to being appointed to the unclassified position.

(4) Positions so established are limited in number to six in the departments of administration, corrections, economic security, finance, transportation, natural resources, public safety, public welfare, and revenue; to five in the departments of commerce, education, health, labor and industry, employee relations and the housing finance agency; to four in the departments of agriculture, and ~~economic development~~ *energy, planning and development*; to three in the department of public service, ~~the planning agency~~, and the pollution control agency; and to two in the departments of human rights, ~~the crime control planning board~~ and veterans affairs. Departments or agencies not enumerated in this clause shall not be authorized to establish additional unclassified posi-

tions under the provisions of this subdivision.

(5) ~~Funds are~~ Money is available.

Sec. 100. Minnesota Statutes 1980, Section 84.028, Subdivision 2, is amended to read:

Subd. 2. The overall coordination of acquisition and development programs, comprehensive planning activities, including statewide recreational planning programs required by state or federal law, and not the responsibility of the ~~state planning agency~~ *commissioner of energy, planning and development*, are under the control and supervision of the commissioner.

Sec. 101. Minnesota Statutes 1980, Section 84.54, is amended to read:

84.54 [TOPOGRAPHIC SURVEY; ~~PLANNING OFFICER.~~]

The ~~state planning officer~~ *commissioner of energy, planning and development* shall study the general topographic survey and mapping needs of the state, and shall advise the commissioner of natural resources in determining the order of surveys and otherwise planning the operations, and shall promote coordination of survey and mapping activities of public and private agencies within the state.

Sec. 102. Minnesota Statutes 1980, Section 85.016, is amended to read:

85.016 [BICYCLE TRAIL PROGRAM.]

The commissioner of natural resources shall establish a program for the development of bicycle trails utilizing the state trails authorized by section 85.015, other state parks and recreation land, and state forests. "Bicycle trails", as used in this section, includes bicycle lanes and bicycle ways as those terms are used in sections 160.263 and 160.264. The program shall be coordinated with the local park trail grant program established by the ~~state planning agency~~ *commissioner of energy, planning and development* pursuant to section 4.36, with the bicycle trail program established by the commissioner of transportation pursuant to section 160.265, and with existing and proposed local bicycle trails. In the metropolitan area as defined in section 473.121, the program shall be developed in accordance with plans and priorities established by the metropolitan council. The commissioner shall provide technical assistance to local units of government in planning and developing bicycle trails in local parks. The bicycle trail program shall, as a minimum, describe the location, design, construction, maintenance and land acquisition needs of each component trail and shall give due consideration to the model standards for the establishment of recreational vehicle lanes promulgated by the commissioner of transportation pursuant to section 160.262. The program shall be developed after consultation with the state trail council and regional and local units of government and bicyclists organizations.

Sec. 103. Minnesota Statutes 1980, Section 85.017, is amended to read:

85.017 [TRAIL REGISTRY.]

The commissioner of natural resources shall compile and maintain a current registry of cross-country skiing, hiking, horseback riding and snowmobiling trails in the state and shall publish and distribute the information in the manner prescribed in section 86A.11. The metropolitan council, the ~~state planning agency~~ *commissioner of energy, planning and development*, the Minnesota

historical society, and local units of government shall cooperate with and assist the commissioner in preparing the registry.

Sec. 104. Minnesota Statutes 1980, Section 86.72, Subdivision 3, is amended to read:

Subd. 3. Requests for allocation from the account for acquisition or development shall be accompanied by a certificate signed jointly by the ~~director of the state planning agency~~ *commissioner of energy, planning and development* and commissioner of natural resources, showing a review of the application against chapter 86A. Copies of the certification shall be submitted to the appropriate legislative committees and commissions. Appropriations from the account shall be expended with the approval of the governor after consultation with the legislative advisory commission. The legislative commission on Minnesota resources shall make recommendations to the legislative advisory commission regarding the expenditures.

Sec. 105. Minnesota Statutes 1980, Section 86A.06, is amended to read:

86A.06 [RULES AND REGULATIONS.]

Each managing agency, in consultation with the ~~state planning agency~~ *commissioner of energy, planning and development*, shall promulgate rules relating to the units of the outdoor recreation system within its jurisdiction, which shall provide for administration of the units in the manner specified in section 86A.05 and the laws relating to each type of unit. The authority provided by this subdivision does not amend or repeal authority possessed by the commissioner of natural resources pursuant to section 97.53, subdivision 2, and in no way is intended to modify or diminish authority possessed by the commissioner in relation to section 97.53, subdivision 2.

Sec. 106. Minnesota Statutes 1980, Section 86A.09, Subdivision 1, is amended to read:

Subdivision 1. [MASTER PLAN REQUIRED.] No construction of new facilities or other development of an authorized unit, other than repairs and maintenance, shall commence until the managing agency has prepared and submitted to the ~~state planning agency~~ *commissioner of energy, planning and development* and the ~~state planning agency~~ *commissioner of energy, planning and development* has reviewed, pursuant to this section, a master plan for administration of the unit in conformity with this section. ~~This requirement shall not apply to an existing unit until August 1, 1977.~~ No master plan is required for wildlife management areas that do not have resident managers, for water access sites, or for rest areas.

Sec. 107. Minnesota Statutes 1980, Section 86A.09, Subdivision 2, is amended to read:

Subd. 2. [MASTER PLAN; PREPARATION AND CONTENT.] The managing agency shall supervise preparation of the master plan and shall utilize the professional staffs of any agency of the state when the expertise of the staff of such agency is necessary to adequately prepare the master plan; the master plan shall present the information in a format and detail that is appropriate to the size and complexity of the authorized unit. When the master plan has been completed the managing agency shall announce to the public in a manner reasonably designed to inform interested persons that the master plan is

available for public review and in the case of any major unit shall hold at least one public hearing on the plan in the vicinity of the unit. The managing agency shall make the master plan available for review and comment by the public and other state agencies for at least 30 days following the announcement and before submitting the master plan to the ~~state planning agency commissioner of energy, planning and development~~. Copies of the plan shall be provided to members of the outdoor recreation advisory council and to any other person on request.

Sec. 108. Minnesota Statutes 1980, Section 86A.09, Subdivision 3, is amended to read:

Subd. 3. [MASTER PLAN; REVIEW AND APPROVAL.] All master plans required by this section shall be submitted to the ~~state planning agency commissioner of energy, planning and development~~ for review pursuant to this subdivision. The ~~state planning agency commissioner of energy, planning and development~~ shall review the master plan to determine whether the plan: (a) provides for administration of the unit in a manner that is consistent with the purposes for which the unit was authorized and with the principals governing the administration of the unit, as specified in section 86A.05 and the statutes relating to each type of unit; (b) recognizes values and resources within the unit that are primarily the responsibility of another managing agency to protect or develop, and provides for their protection or development either through a cooperative agreement with the other managing agency or through designation of the appropriate area as a secondary unit. In reviewing any master plan, the ~~state planning agency commissioner of energy, planning and development~~ shall consult with other state agencies. Within 60 days after receiving the master plan, the ~~state planning agency commissioner of energy, planning and development~~ shall notify the managing agency that the plan has been reviewed and forward its recommendations for any changes it might suggest. The managing agency shall review the recommendations and notify the ~~state planning agency commissioner of energy, planning and development~~ of the disposition made of them. Failure to comment on a master plan within the time specified shall be considered approval of the plan by the ~~state planning agency commissioner of energy, planning and development~~. If the director of the ~~state planning agency commissioner of energy, planning and development~~ feels that the master plan still fails significantly to comply with this subdivision, he may request review of the master plan by the governor. In that event review shall not be deemed completed until after the master plan has been approved by the governor or 60 days have elapsed without action by the governor to approve or reject the plan, whichever occurs first.

Sec. 109. Minnesota Statutes 1980, Section 86A.09, Subdivision 4, is amended to read:

Subd. 4. [DEVELOPMENT.] Construction of necessary facilities and other development of the unit shall commence as soon as practicable after review of the master plan by the ~~state planning agency commissioner of energy, planning and development~~, and the governor if requested, and shall be carried out in conformity with the master plan.

Sec. 110. Minnesota Statutes 1980, Section 92.35, is amended to read:

92.35 [DUTIES AND POWERS.]

It shall be the duty of the ~~land use committee, or its successor, the state~~

~~planning officer~~ commissioner of energy, planning and development, to classify all public and private lands in the state with reference to the use to which the lands are adapted, but principally as to adaptability to present known uses, such as agriculture and forestry. This classification shall be based upon a consideration of the known physical and economic factors affecting the use of the land. The ~~land use committee~~ commissioner of energy, planning and development shall consult with private, state, and federal agencies concerned with land use, and may appoint such advisory committees as ~~the~~ the commissioner may deem necessary and advisable, made up of residents of the state concerned with and interested in land use, the advisory committees to serve without pay, at the pleasure of the ~~land use committee~~ commissioner of energy, planning and development, and to consider and report upon such land use problems as may be submitted by the ~~land use committee~~ commissioner of energy, planning and development. The work of the ~~land use committee~~ commissioner of energy, planning and development shall first be done in the counties having land classification committees. The ~~land use committee~~ commissioner of energy, planning and development shall consult, advise with, and cooperate with the land classification committee in each county in obtaining and considering the facts upon which to determine ~~its~~ the commissioner's land classification; the land classification committee in each county shall consult, advise with, and cooperate with the ~~land use committee~~ commissioner of energy, planning and development in like manner, but the determination of the land classification committee shall be final.

Sec. 111. Minnesota Statutes 1980, Section 92.36, is amended to read:

92.36 [LANDS CLASSIFIED.]

Upon the basis of all of the facts concerning land use now obtainable and in the manner provided in sections 92.33 to 92.37 the ~~land use committee, or its successor, the state planning officer~~ commissioner of energy, planning and development, shall make and determine a temporary land classification of land areas with reference to the known uses to which ~~such~~ the areas are adapted or adaptable. ~~This classification shall be adopted by a majority vote of the committee and recorded in its minutes.~~ A certified copy of the temporary classification, together with a brief statement of the reasons therefor, shall be recorded in the office of the county recorder in each county in which the lands classified are located. No fees shall be paid for this recording. When ~~such~~ the temporary classification has been adopted by the ~~land use committee~~ commissioner of energy, planning and development none of the lands classified as non-agricultural shall thereafter be sold or leased by the state for agricultural purposes.

Sec. 112. Minnesota Statutes 1980, Section 92.37, is amended to read:

92.37 [REPORT TO LEGISLATURE.]

The ~~land use committee, or its successor, the state planning officer~~ commissioner of energy, planning and development, shall report the results of its land classification to the legislature with such recommendations as it may deem advisable.

Sec. 113. Minnesota Statutes 1980, Section 104.03, Subdivision 1, is amended to read:

Subdivision 1. The commissioner shall (a) collect and distribute information relating to flooding and flood plain management; (b) coordinate local, state,

and federal flood plain management activities to the greatest extent possible, and to this end shall encourage the United States army corps of engineers and the United States soil conservation service to make their flood control planning data available to local governmental units for planning purposes, in order to allow adequate local participation in the planning process and in the selection of desirable alternatives; (c) assist local governmental units in their flood plain management activities within the limits of available appropriations and personnel in cooperation with the ~~office of local and urban affairs and the state planning officer~~ *commissioner of energy, planning and development*; (d) do all other things, within his lawful authority, which are necessary or desirable to manage the flood plains for beneficial uses compatible with the preservation of the capacity of the flood plain to carry and discharge the regional flood. In cooperation with local governmental units, the commissioner shall conduct, whenever possible, periodic inspections to determine the effectiveness of local flood plain management programs, including an evaluation of the enforcement of and compliance with local flood plain management ordinances.

Sec. 114. Minnesota Statutes 1980, Section 104.35, Subdivision 2, is amended to read:

Subd. 2. The commissioner shall make the proposed management plan available to affected local governmental bodies, shoreland owners, conservation and outdoor recreation groups, the ~~director of the state planning agency~~ *commissioner of energy, planning and development*, the governor, and the general public. The ~~director of the state planning agency~~ *commissioner of energy, planning and development* and the governor shall review the proposed management plan pursuant to the criteria specified in section 86A.09, subdivision 3, and submit any written comments to the commissioner within 60 days after receipt of the proposed management plan. Not less than 60 days after making such information available, the commissioner shall conduct a public hearing on the proposed management plan in the county seat of each county which contains a portion of the designated area, in the manner provided in chapter 15.

Sec. 115. Minnesota Statutes 1980, Section 104.35, Subdivision 3, is amended to read:

Subd. 3. Upon receipt of the hearing examiner's report, the commissioner shall immediately forward the proposed management plan and the hearing examiner's report to the ~~state planning agency~~ *commissioner of energy, planning and development* for review pursuant to section 86A.09, subdivision 3, except that the review by the ~~state planning agency~~ *commissioner of energy, planning and development* shall be completed or be deemed completed within 30 days after receiving the hearing examiner's report and the review by the governor shall be completed or be deemed completed within 15 days after receipt. Within 60 days after receipt of the hearing examiner's report, the commissioner shall decide whether to designate by order the river or segment thereof as a wild, scenic, or recreational river and, if so designated, shall adopt a management plan to govern the area. The commissioner shall notify and inform public agencies and private landowners of the plan and its purposes so as to encourage their cooperation in the management and use of their land in a manner consistent with the plan and its purposes.

Sec. 116. Minnesota Statutes 1980, Section 105.484, is amended to read:

105.484 [LAKE IMPROVEMENTS; GRANTS-IN-AID; PRIORITIES.]

The commissioner of natural resources with the assistance of the pollution control agency and the ~~state planning agency commissioner of energy, planning and development~~ shall make an assessment of the need for particular kinds of lake improvements including improvements related to high or low water levels and any other resource management considerations, except pollution problems, and ~~to develop by April 1, 1979,~~ criteria for allocating state aid funds among proposed projects: Provisions shall be included to insure that any federal program of aid to local lake improvement projects serves to reduce the local share of project costs rather than reducing only the state's share.

Sec. 117. Minnesota Statutes 1980, Section 105.485, Subdivision 3, is amended to read:

Subd. 3. [COMMISSIONER'S DUTIES.] ~~Before April 1, 1974,~~ The commissioner of natural resources shall ~~promulgate~~ *adopt*, in the manner provided in chapter 15, model standards and criteria, other than a model ordinance, for the subdivision, use, and development of shoreland in municipalities, which standards and criteria shall include but not be limited to those listed below in regard to unincorporated areas. ~~Before July 1, 1970,~~ The commissioner of natural resources shall ~~promulgate~~ *adopt*, in the manner provided in chapter 15, model standards and criteria for the subdivision, use, and development of shoreland in unincorporated areas, including but not limited to the following: (a) The area of a lot and length of water frontage suitable for a building site; (b) the placement of structures in relation to shorelines and roads; (c) the placement and construction of sanitary and waste disposal facilities; (d) designation of types of land uses; (e) changes in bottom contours of adjacent public waters; (f) preservation of natural shorelands through the restriction of land uses; (g) variances from the minimum standards and criteria; and (h) a model ordinance. The following agencies shall provide ~~such~~ information and advice ~~as may be necessary to the preparation of the rules and regulations, or amendments thereto:~~ The state departments of agriculture, ~~economic development, and health, and energy, planning and development;~~ the ~~state planning agency;~~ the pollution control agency; the state soil and water conservation board; and the Minnesota historical society. In addition to other requirements of chapter 15, the model standards and ordinance ~~promulgated~~ *adopted* pursuant to this section, or amendments thereto, shall not be filed with the secretary of state unless approved by the state commissioner of health and the director of the pollution control agency.

Sec. 118. Minnesota Statutes 1980, Section 114A.03, Subdivision 1, is amended to read:

Subdivision 1. The southern Minnesota rivers basin board is ~~hereby~~ established to serve as the regional organization for guiding the creation and implementation of a comprehensive environmental conservation and development plan for the basin. All state departments and agencies ~~are hereby directed to~~ *shall* cooperate with the board, and ~~to~~ assist it in the performance of its duties. In cooperation with all federal agencies, including but not limited to the United States departments of agriculture and interior and the corps of engineers, all state agencies, departments, and commissions, including but not limited to the department of natural resources, Minnesota geological survey, water resources board, ~~state planning agency department of energy, planning~~

and development, department of transportation, state soil and water conservation board, pollution control agency, ~~department of economic development,~~ department of agriculture, and the institute of agriculture of the University of Minnesota, and local governments and citizens within the basin, the board shall initiate, coordinate and prepare its overall comprehensive environmental conservation and development plan. The Minnesota soil and water conservation board and local soil and water conservation districts and watershed districts within the basin shall provide technical assistance to the board in the creation and implementation of the plan. Upon the request of the board, the governor or the legislature may require any other department or agency of the state to furnish assistance, technical or otherwise, to the board in the performance of its duties or in the exercise of its powers authorized by law. The plan may include, but is not limited to, planning for the following purposes:

- (1) Control or alleviation of damages by flood waters;
- (2) Improvement of stream channels for handling of surface waters, navigation, and any other public purposes;
- (3) Reclaiming or filling of wet and overflowed lands;
- (4) Regulating the flow of streams and conserving the waters thereof;
- (5) Diverting or changing watercourses in whole or in part;
- (6) Providing and maintaining water quality and supply for municipal, domestic, industrial, recreational, agricultural, aesthetic, wildlife, fishery, or other public use;
- (7) Providing for sanitation and public health and regulating uses of streams, ditches, or watercourses for the purpose of disposing of waste and maintaining water quality;
- (8) Repair, improvement, relocation, modification, consolidation or abandonment in whole or in part of previously established public drainage systems within the territory;
- (9) Imposition of prevention or remedial measures for the control or alleviation of land and soil erosion and siltation of watercourses or bodies of water affected thereby;
- (10) Regulation of improvements and land development by abutting landowners of the beds, banks, and shores of lakes, streams, watercourses, and marshes by permit or otherwise in order to preserve the same for beneficial use; ~~such the regulation to~~ shall be in accordance with state department of natural resource standards and criteria;
- (11) Regulation of construction of improvements on and prevention of encroachments in the flood plains of the rivers, and the lakes, marshes and streams of the basin; ~~such the regulation to~~ shall be in accordance with state department of natural resource standards and criteria.

Sec. 119. Minnesota Statutes 1980, Section 115A.07, Subdivision 1, is amended to read:

Subdivision 1. [INTERAGENCY COORDINATION.] The chairperson of the board shall inform the ~~state planning agency~~ *commissioner of energy, planning and development* of the board's activities in accordance with section

4.191. The chairperson shall keep the agency informed of the board's activities, solicit the advice and recommendations of the agency, and coordinate its work with the regulatory and enforcement activities of the agency.

Sec. 120. Minnesota Statutes 1980, Section 115A.12, Subdivision 2, is amended to read:

Subd. 2. [TECHNICAL ADVISORY COUNCIL.] The chairperson of the board shall establish an interagency technical advisory council to advise the board and the chairperson on such matters as the board, through its chairperson, deems necessary. The members of the council shall be the commissioner of health; the commissioner of agriculture; the commissioner of natural resources; ~~the commissioner of economic development;~~ the director of the pollution control agency; ~~the director of the energy agency;~~ the director of the state planning agency ~~commissioner of energy, planning and development; and such~~ other heads of agency as the chairperson of the board deems necessary; or their designees. The council shall meet at the call of the chairperson of the board who shall serve as chairperson of the council. The members, collectively and individually shall advise the board and the chairperson on matters within their various areas of expertise and shall provide technical assistance and information as requested by the board through its chairperson.

Sec. 121. Minnesota Statutes 1980, Section 115A.15, Subdivision 5, is amended to read:

Subd. 5. [REPORTS.] By January 1, ~~1981, and of each odd-numbered year thereafter,~~ the commissioner of administration shall submit a report to the governor and to the legislative commission summarizing past activities and proposed goals of the program for the following biennium. By July 1, ~~1980, and of each even-numbered year thereafter the directors of the energy agency and director of the pollution control agency and the commissioner of energy, planning and development shall submit recommendations to the commissioner regarding the operation of the program.~~

Sec. 122. Minnesota Statutes 1980, Section 116C.03, Subdivision 2, is amended to read:

Subd. 2. The board shall include as permanent members the ~~director of the state planning agency head of the planning division of the department of energy, planning and development,~~ the director of the pollution control agency, the commissioner of natural resources, the commissioner of agriculture, the commissioner of health, the commissioner of transportation, ~~the director of the Minnesota energy agency,~~ and a representative of the governor's office designated by the governor; ~~the chairman of the citizens advisory committee, and three other members of the citizens advisory committee as designated by the governor. The names of the four members of the citizens advisory committee designated to serve on the board shall be submitted to the senate for its advice and consent. Upon the expiration of the citizens advisory committee~~ The governor shall appoint ~~four~~ five members from the general public to the board, subject to the advice and consent of the senate.

Sec. 123. Minnesota Statutes 1980, Section 116C.03, Subdivision 3, is amended to read:

Subd. 3. The ~~director of the state planning agency head of the planning division of the department of energy, planning and development~~ shall be the

chairman of the board.

Sec. 124. Minnesota Statutes 1980, Section 116C.03, Subdivision 4, is amended to read:

Subd. 4. The ~~director of the state planning agency~~ *commissioner of energy, planning and development* shall employ staff or consultants who will be assigned to work for the board on a continuous basis. The board shall have the authority to request and require staff support from all other agencies of state government as needed for the execution of the responsibilities of the board.

Sec. 125. Minnesota Statutes 1980, Section 116H.05, is amended to read:

116H.05 [CONFLICT OF INTEREST.]

No person shall be eligible to continue in office as ~~director~~ *commissioner* unless he has within six months after being appointed divested himself of any interest except fully vested pension rights in any utility, coal or petroleum supplier, or manufacturer of any major component of a large energy facility doing business within or outside this state.

No person who is an employee of the ~~agency department~~ shall participate in any manner in any decision or action of the ~~agency~~ *commissioner* where he has a direct or indirect financial interest.

Sec. 126. Minnesota Statutes 1980, Section 116H.06, is amended to read:

116H.06 [JURISDICTION.]

The ~~agency~~ *commissioner* has sole authority and responsibility for the administration of sections 116H.01 to 116H.15. Other laws notwithstanding, the authority granted the ~~agency~~ *commissioner* shall supersede the authority given any other agency whenever overlapping, duplication or additional administrative or legal procedures might occur in the administration of sections 116H.01 to 116H.15. The ~~director~~ *commissioner* shall consult with other state departments or agencies in matters related to energy and shall contract with them to provide appropriate services to effectuate the purposes of sections 116H.01 to 116H.15. Any other department, agency or official of this state or political subdivision thereof which would in any way affect the administration or enforcement of sections 116H.01 to 116H.15 shall cooperate and coordinate all ~~such~~ activities with the ~~agency~~ *commissioner* to assure orderly and efficient administration and enforcement of sections 116H.01 to 116H.15.

The ~~director~~ *commissioner* shall designate a liaison officer ~~from the agency~~ whose duty shall be to insure the maximum possible consistency in procedures and to eliminate duplication between the ~~agency~~ *commissioner* and the other agencies that may be involved in energy. ~~The commissioner of administration~~ shall, if and to the extent he deems it efficient and beneficial, transfer to the agency, pursuant to sections 16.125 and 16.135, the functions, employees or work of any agency of the state if such functions or work relate to or if such employees are engaged in matters which fall within the jurisdiction of the agency pursuant to sections 116H.01 to 116H.15.

Sec. 127. Minnesota Statutes 1980, Section 116H.07, is amended to read:

116H.07 [DUTIES.]

The ~~director~~ *commissioner* shall:

(a) Manage the ~~agency~~ *department* as the central repository within the state government for the collection of data on energy;

(b) Prepare and adopt an emergency allocation plan specifying actions to be taken in the event of an impending serious shortage of energy, or a threat to public health, safety, or welfare;

(c) Undertake a continuing assessment of trends in the consumption of all forms of energy and analyze the social, economic, and environmental consequences of these trends;

(d) Carry out energy conservation measures as specified by the legislature and recommend to the governor and the legislature additional energy policies and conservation measures as required to meet the objectives of sections 116H.01 to 116H.15;

(e) Collect and analyze data relating to present and future demands and resources for all sources of energy, and specify energy needs for the state and various service areas as a basis for planning large energy facilities;

(f) Require certificate of need for construction of large energy facilities;

(g) Evaluate policies governing the establishment of rates and prices for energy as related to energy conservation, and other goals and policies of sections 116H.01 to 116H.15, and make recommendations for changes in energy pricing policies and rate schedules;

(h) Study the impact and relationship of the state energy policies to international, national, and regional energy policies;

(i) Design a state program for the conservation of energy; this program shall include but not be limited to, general commercial, industrial, and residential areas; such program shall also provide for the evaluation of energy systems as they relate to lighting, heating, refrigeration, air conditioning, building design and operation, and appliance manufacturing and operation;

(j) Inform and educate the public about the sources and uses of energy and the ways in which persons can conserve energy;

(k) Dispense funds made available for the purpose of research studies and projects of professional and civic orientation, which are related to either energy conservation or the development of alternative energy technologies which conserve nonrenewable energy resources while creating minimum environmental impact;

(l) Charge other governmental departments and agencies involved in energy related activities with specific information gathering goals and require that those goals be met.

Sec. 128. Minnesota Statutes 1980, Section 116H.08, is amended to read:

116H.08 [POWERS.]

The ~~director~~ *commissioner* may:

(a) Adopt rules pursuant to chapter 15 as necessary to carry out the purposes of sections 116H.01 to 116H.15 and, when necessary for the purposes of section 116H.09, adopt temporary rules pursuant to section 15.0412, subdivision 5;

(b) Make all contracts pursuant to sections 116H.01 to 116H.15 and do all things necessary to cooperate with the United States government, and to qualify for, accept and disburse any grant intended for the administration of sections 116H.01 to 116H.15. Notwithstanding any other law the ~~agency commissioner~~ is designated the state ~~agency agent~~ to apply for, receive and accept federal or other funds made available to the state for the purposes of sections 116H.01 to 116H.15.

(c) Contract for professional services if such work or services cannot be satisfactorily performed by employees of the ~~agency department~~ or by any other state agency;

(d) Enter into interstate compacts to jointly carry out such research and planning with other states or the federal government where appropriate;

(e) Distribute informational material at no cost to the public upon reasonable request.

Sec. 129. Minnesota Statutes 1980, Section 116H.085, is amended to read:

116H.085 [ENERGY CONSERVATION INFORMATION CENTER.]

The ~~director~~ *commissioner* shall establish an energy information center in the ~~agency's department's~~ offices in St. Paul. The information center shall maintain a toll-free telephone information service and disseminate printed materials on energy conservation topics, including but not limited to, availability of loans and other public and private financing methods for energy conservation physical improvements, the techniques and materials used to conserve energy in buildings, including retrofitting or upgrading insulation and installing weatherstripping, the projected prices and availability of different sources of energy, and alternative sources of energy.

The energy information center shall serve as the official Minnesota alcohol fuels information center and shall disseminate information, printed, by the toll-free telephone information service, or otherwise on the applicability and technology of alcohol fuels.

The information center shall include information on the potential hazards of energy conservation techniques and improvements in the printed materials disseminated. The ~~agency commissioner~~ shall not be liable for damages arising from the installation or operation of equipment or materials recommended by the information center.

Sec. 130. Minnesota Statutes 1980, Section 116H.087, is amended to read:

116H.087 [ENERGY CONSERVATION PUBLICITY.]

The ~~director of the energy agency~~ *commissioner* in consultation with other affected agencies or departments shall develop informational materials, pamphlets and radio and television messages on energy conservation and housing programs available in Minnesota, renewable energy resources, and energy supply and demand. The printed materials shall include information on available tax credits for residential energy conservation measures, residential retrofitting loan and grant programs, and data on the economics of energy conservation and renewable resource measures. Copies of printed materials shall be distributed to members of the appropriate standing committees of the legislature.

Sec. 131. Minnesota Statutes 1980, Section 116H.088, Subdivision 1, is amended to read:

Subdivision 1. The ~~director~~ *commissioner*, in consultation with the state board of education, the higher education coordinating board, the state board for community colleges, the state university board, and the board of regents of the University of Minnesota, shall develop a plan for adult and post-secondary energy education.

Sec. 132. Minnesota Statutes 1980, Section 116H.089, is amended to read:

116H.089 [COMMUNITY ENERGY PLANNING; GRANTS.]

Subdivision 1. [PURPOSE.] In order to improve the energy planning capabilities of local governments, the ~~energy agency~~ *commissioner* shall make grants to counties and cities, however organized. The ~~energy agency~~ *commissioner* when making grants shall give priority to those units of government that submit proposals that could result in significant savings of traditional energy sources, development of renewable energy systems, and broad community involvement. The ~~director~~ *commissioner* shall give priority to local units of government that provide staff or other support for a program and who request grants for programs which can be duplicated by other local governments. The grants may be used to purchase materials, employ staff or contract with other units of government or qualified consultants.

The ~~director~~ *commissioner* shall not make grants of more than 45 percent of the amount appropriated for those purposes to cities and counties located within the seven county metropolitan area. A single grant to a city or county shall not exceed \$50,000.

Subd. 2. [QUALIFYING EXPENDITURES.] Community energy planning grants may be used for the following purposes:

(a) To gather, monitor, and analyze local energy supply, demand, and cost information;

(b) To prepare comprehensive community energy plans;

(c) To implement comprehensive energy plans that the unit of government is authorized to undertake for the management of problems resulting from: (1) rising energy cost; (2) lack of efficient public and private transportation; (3) lack of community conservation efforts; (4) lack of widespread renewable energy sources; and (5) lack of energy components in comprehensive plans and local ordinances;

(d) To assist neighborhood organizations in counties and cities to do energy planning by making grants to the local unit of government; and

(e) Any other purposes deemed appropriate by the ~~director of the energy agency~~ *commissioner*.

Subd. 3. [ADMINISTRATION.] The ~~energy agency~~ *commissioner* shall determine priorities pursuant to subdivisions 1 and 2, and shall promulgate rules for the submission and review of applications in accordance with the provisions of chapter 15. For this purpose the ~~energy agency~~ *commissioner* may adopt temporary rules pursuant to the provisions of section 15.0412, subdivision 5.

Sec. 133. Minnesota Statutes 1980, Section 116H.09, Subdivision 1, is

amended to read:

Subdivision 1. ~~Within nine months after March 29, 1974, The director commissioner shall prepare and issue maintain~~ an emergency conservation and allocation plan ~~in the manner set forth in subdivision 2. Such~~ The plan shall provide a variety of strategies and staged conservation measures to reduce energy use and in the event of an energy supply emergency, shall establish guidelines and criteria for allocation of fuels to priority users. The plan shall contain alternative conservation actions and allocation plans to reasonably meet various foreseeable shortage circumstances and allow a choice of appropriate responses. The plan shall be consistent with requirements of federal emergency energy conservation and allocation laws and regulations, shall be based on reasonable energy savings or transfers from scarce energy resources and shall:

(a) Give priority to individuals, institutions, agriculture and businesses which demonstrate they have engaged in energy-saving measures and shall include provisions to insure that:

(1) Immediate allocations to individuals, institutions, agriculture and businesses be based on needs at energy conservation levels;

(2) Successive allocations to individuals, institutions, agriculture and businesses be based on needs after implementation of required action to increase energy conservation;

(3) Needs of individuals and institutions are adjusted to insure the health and welfare of the young, old and infirm;

(b) Insure maintenance of reasonable job safety conditions and avoid environmental sacrifices;

(c) Establish programs, controls, standards, priorities or quotas for the allocation, conservation and consumption of energy resources; and for the suspension and modification of existing standards and the establishment of new standards affecting or affected by the use of energy resources, including those related to the type and composition of energy sources, and to the hours and days during which public buildings, commercial and industrial establishments, and other energy consuming facilities may or are required to remain open;

(d) Establish programs to control the use, sale or distribution of commodities, materials, goods or services;

(e) Establish regional programs and agreements for the purpose of coordinating the energy resources, programs and actions of the state with those of the federal government, of local governments, and of other states and localities; and

(f) Determine at what level of an energy supply emergency situation the pollution control agency shall be requested to ask the governor to petition the president for a temporary emergency suspension of air quality standards as required by the Clean Air Act, 42 U.S.C., Section 7410f;

(g) Establish procedures for fair and equitable review of complaints and requests for special exemptions regarding emergency conservation measures or allocations.

Sec. 134. Minnesota Statutes 1980, Section 116H.09, Subdivision 4, is amended to read:

Subd. 4. At least once every five years and whenever construction of a new large energy facility is completed which affects the supply of energy in Minnesota, the ~~director~~ commissioner shall review and if necessary revise the emergency conservation and allocation plan. Revisions of the emergency conservation and allocation plan shall be ~~promulgated~~ adopted pursuant to the rulemaking procedures in chapter 15 and reviewed by the appropriate standing committees of the legislature. The ~~director~~ commissioner may also make revisions to the plan pursuant to section 15.0412, subdivision 5, and the temporary rules powers of section 116H.08, clause (a), when a declared or impending energy supply emergency requires.

Sec. 135. Minnesota Statutes 1980, Section 116H.09, Subdivision 5, is amended to read:

Subd. 5. The executive council or the legislature may declare an energy supply emergency when an acute shortage of energy exists by issuing a declaration which indicates the nature of the emergency, the area or areas threatened if less than the whole state is threatened, and the conditions causing the emergency. The declaration shall be disseminated promptly by means calculated to bring its contents to the attention of the general public and shall be promptly filed with the ~~energy agency~~ commissioner, the division of emergency services and the secretary of state. Upon a declaration of an energy supply emergency by the executive council or the legislature, the governor and the division of emergency services, in consultation with the ~~director~~ commissioner, shall implement and enforce the emergency conservation and allocation plan or any part thereof. Revisions of the plan shall be made by the ~~director~~ commissioner in accordance with subdivision 4. The executive council or the legislature may terminate an energy supply emergency at any time by issuing a declaration which terminates the energy supply emergency and indicates the conditions which make possible termination of the emergency, but no energy supply emergency may continue for longer than 30 days unless renewed by the legislature. Each renewed energy supply emergency may not continue for longer than 30 days, unless otherwise provided by law. Each person shall carry out the responsibilities specified in the emergency conservation allocation plan, and violation of any provision of such emergency conservation or allocation requirements shall be deemed a violation of sections 116H.01 to 116H.15 and the rules promulgated thereunder for purposes of enforcement pursuant to section 116H.15.

Sec. 136. [116H.095] [STATE SET-ASIDE PROGRAM.]

Subdivision 1. [PURPOSE.] The purpose of this section is to grant to the commissioner authority to exercise specific power to deal with shortages of refined petroleum products. Authority granted shall be exercised for the purpose of minimizing the adverse impacts of shortages and dislocations upon the citizens and the economy of the state and nation.

Subd. 2. [ESTABLISHMENT.] The commissioner shall establish and is responsible for a state set-aside system for motor gasoline and middle distillates to provide emergency petroleum requirements and thereby relieve the hardship caused by shortage, supply dislocations, or other emergencies. The commissioner, for purposes of administration, may exercise all of the powers

granted by chapter 116H.

Subd. 3. [DEFINITIONS.] *As used in this section:*

(a) "Middle distillates" means distillates obtained between kerosene and lubricating oil fractions in the refining process, including but not limited to, kerosene, number one and number two heating oil and diesel fuel;

(b) "Motor gasoline" means a liquid mixture of hydrocarbons produced by the distillation of petroleum and used chiefly as a fuel in internal combustion engines;

(c) "Prime supplier" means the producer or supplier now or hereafter making the first sale of middle distillates or motor gasoline subject to the state set-aside for consumption within the state;

(d) "State set-aside" means the amount of middle distillates or motor gasoline required to be made available by a prime supplier for utilization by the commissioner to resolve or mitigate emergencies or hardships due to shortages of supply.

Subd. 4. [SET-ASIDE REQUIRED.] *Every prime supplier shall allocate for sale or exchange monthly upon order of the commissioner a volume of gasoline and middle distillate not exceeding the monthly set-aside amount. The amount of gasoline subject to monthly set-aside shall be an amount equal to three percent of the prime supplier's sales of gasoline during the corresponding month of 1980. The amount of middle distillate subject to monthly set-aside shall be an amount equal to four percent of the prime supplier's sales of middle distillate during the corresponding months of 1980.*

Subd. 5. [REPORT OF ESTIMATED VOLUME.] *Every prime supplier who did not do business in the state during the corresponding month of 1980 shall file with the commissioner a report of its estimated volume of gasoline and middle distillate sale. The report shall be in a form prescribed by the commissioner and shall be submitted by the 25th day of the month preceding the month covered by the report. Each prime supplier subject to this subdivision shall allocate monthly for sale or exchange upon order of the commissioner three percent of estimated gasoline supplies and four percent of estimated middle distillate supplies as shown by the report.*

Subd. 6. [PRIME SUPPLIER OBLIGATIONS.] *Each prime supplier shall designate a representative to act for and on behalf of the prime supplier in respect to energy agency state set-aside orders to be issued to the prime supplier. A prime supplier shall provide the amount of allocated product stated in the energy state set-aside order.*

Subd. 7. [RULES.] *The commissioner shall adopt rules, including temporary rules pursuant to section 15.0412, Subdivision 5, to govern the administration of the set-aside system. Rules shall cover matters such as the form and procedure for applications for set-aside allocations by dealers of bulk purchasers, reports on available gasoline and middle distillate supplies, orders and procedure for set-aside allocation and distribution and other rules deemed necessary or desirable in the implementation and administration of the set-aside system, including monthly reports of anticipated deliveries and actual sales of gasoline, middle distillates, propane, aviation fuels, and residual oils.*

Subd. 8. [CRITERIA.] *The commissioner may allocate gasoline and middle*

distillates from the set-aside system in accordance with the criteria in section 116H.09 and rules adopted pursuant thereto. The commissioner may prescribe additional priorities by rule.

Sec. 137. Minnesota Statutes 1980, Section 116H.10, is amended to read:

116H.10 [FORECASTS, STATISTICS AND INFORMATION.]

Subdivision 1. In order to further the purposes of sections 116H.01 to 116H.15, the ~~director~~ commissioner shall develop and maintain an effective program of collection, compilation, and analysis of energy statistics. The statistical program shall be developed to insure a central state repository of energy data and so that the state may coordinate and cooperate with other governmental data collection and record keeping programs.

Subd. 2. In addition to supplying ~~such~~ the current statistical and short range forecasting information as the ~~director~~ may require commissioner requires, each utility, coal supplier, petroleum supplier and large energy facility in the state shall prepare and transmit to the ~~director~~ commissioner by July 1, 1975, and every year thereafter of each year, a report specifying in five, ten, and 15 year forecasts the projected demand for energy within their respective service areas and the facilities necessary to meet the demand.

The report shall be in a form specified by the ~~director~~ commissioner and contain all information deemed relevant by the ~~director~~ commissioner.

Subd. 3. The ~~director~~ commissioner shall, to the maximum extent feasible, provide that forecasts required under this section be consistent with material required by other state and federal agencies in order to prevent unnecessary duplication.

Subd. 4. Reports issued pursuant to this section shall be available for public inspection in the office of the ~~agency~~ department during normal business hours.

Subd. 5. The ~~director~~ commissioner shall review and evaluate forecasts of energy demands and resources as they relate to the most current population growth and development estimates, statewide and regional land use, transportation, and economic development programs and forecasts.

Sec. 138. Minnesota Statutes 1980, Section 116H.11, is amended to read:

116H.11 [STATE ENERGY POLICY AND CONSERVATION REPORT.]

Subdivision 1. ~~Beginning~~ By January 1, 1976, and at least every two years thereafter of each even-numbered year, the ~~director~~ commissioner shall transmit to the governor and the legislature a comprehensive report designed to identify emerging trends related to energy supply, demand, conservation, public health and safety factors, and to specify the level of statewide and geographical area energy need. The report shall include, but not be limited to, all of the following:

(a) A final report on the accuracy and acceptability of the energy forecasts received under section 116H.10 and the alternatives to meeting that demand;

(b) An estimate of statewide and geographical area energy need for the forthcoming five and ten year period which, in the judgment of the ~~director~~ commissioner, will reasonably balance requirements of state and geographical

area growth and development, protection of public health and safety, preservation of environmental quality, and conservation of energy resources;

(c) The anticipated level of statewide and geographical area energy demand for 20 years, which shall serve as the basis for long range action;

(d) The identification of potential adverse social, economic, or environmental effects caused by a continuation of the present energy demand trends;

(e) An assessment of the state's energy resources, including examination of the availability of commercially developable and imported fuels;

(f) The estimated reduction in annual energy consumption resulting from various energy conservation measures;

(g) The cost of energy to residential and rental consumers in relation to their socio-economic status;

(h) An assessment of the economic and employment implications of proposed state energy policies;

(i) The status of the department's ongoing studies;

(j) Recommendations to the governor and the legislature for administrative and legislative actions to accomplish the purposes of sections 116H.01 to 116H.15.

Subd. 2. Prior to the preparation of a final report, the ~~director~~ commissioner shall issue a draft report to the environmental quality board and any person, upon request, and shall hold a public meeting. Notice of the public meeting shall be provided to each regional development commission.

Subd. 3. The ~~director~~ commissioner shall distribute the final report to any person upon request.

Sec. 139. Minnesota Statutes 1980, Section 116H.12, Subdivision 1, is amended to read:

Subdivision 1. After consultation with the ~~director~~ commissioner and the commissioner of public safety, the commissioner of transportation shall, pursuant to chapter 15, promulgate regulations establishing maximum energy use standards for street, highway and parking lot lighting. ~~Such~~ The standards shall be consistent with overall protection of the public health, safety and welfare. No new highway, street or parking lot lighting shall be installed in violation of these regulations and existing lighting levels shall be reduced consistent with the regulations as soon as feasible and practical, consistent with overall energy conservation.

Sec. 140. Minnesota Statutes 1980, Section 116H.12, Subdivision 1b, is amended to read:

Subd. 1b. The ~~director~~ commissioner shall ~~promulgate~~ adopt rules, pursuant to chapter 15, ~~by July 1, 1979,~~ setting standards covering permissible hours of operation, quantity and efficiency of outdoor display lighting and defining "outdoor display lighting".

Sec. 141. Minnesota Statutes 1980, Section 116H.12, Subdivision 2, is amended to read:

Subd. 2. The ~~director~~ commissioner may investigate promotional practices

by energy suppliers and, pursuant to chapter 15, may promulgate regulations to limit such practices in order to reduce the rate of growth of energy demand.

Sec. 142. Minnesota Statutes 1980, Section 116H.12, Subdivision 4, is amended to read:

Subd. 4. In recognition of the compelling need for energy conservation in order to safeguard the public health, safety and welfare, it is necessary to provide building design and construction standards consistent with the most efficient use of energy. Therefore, the commissioner of administration, in consultation with the ~~director~~ commissioner, shall, ~~no later than August 1, 1975, and~~ pursuant to chapter 15, ~~promulgate~~ adopt rules governing building design and construction standards regarding heat loss control, illumination and climate control. ~~Such standards~~ The rules shall apply to all new buildings and remodeling affecting heat loss control, illumination and climate control. ~~Such standards~~ The rules shall be economically feasible in that the resultant savings in energy procurement shall exceed the cost of the energy conserving requirements amortized over the life of the building. The ~~standards~~ rules shall become part of the state building code and be effective six months after promulgation.

Sec. 143. Minnesota Statutes 1980, Section 116H.12, Subdivision 5, is amended to read:

Subd. 5. The ~~director~~ commissioner shall conduct studies and make recommendations concerning the purchase and use by the state and its political subdivisions of supplies, motor vehicles and equipment having a significant impact on energy use in order to determine the potential for energy conservation. The ~~director~~ commissioner may ~~promulgate~~ adopt rules pursuant to chapter 15 to insure that energy use and conservation will be considered in state purchasing and, where appropriate, to require certain minimum energy efficiency standards in purchased products and equipment. No state purchasing of equipment or material use shall occur that is not in conformity with these regulations.

Sec. 144. Minnesota Statutes 1980, Section 116H.12, Subdivision 6, is amended to read:

Subd. 6. In consultation with the ~~director~~ commissioner, the commissioner of transportation shall begin an efficiency study of the present traffic flow system within the state. The study shall consider the feasibility of a computer-coordinated traffic system and other measures for increasing the efficiency of present traffic loads.

Sec. 145. Minnesota Statutes 1980, Section 116H.12, Subdivision 9, is amended to read:

Subd. 9. In conjunction with the motor vehicle services division, the ~~director~~ commissioner shall study the feasibility of modifying motor vehicle license fees to reflect energy consumption.

Sec. 146. Minnesota Statutes 1980, Section 116H.121, Subdivision 1, is amended to read:

Subdivision 1. ~~Before February 1, 1977, the commissioner of administration in consultation with the director, shall amend~~ The rules concerning heat loss, illumination, and climate control standards ~~promulgated~~ adopted pursuant to section 116H.12, subdivision 4, ~~to~~ shall include standards for all exist-

ing buildings heated by oil, coal, gas, or electric units which are owned by the state, the university of Minnesota, any city, any county, or any school district. Compliance with standards adopted pursuant to this section shall not be mandatory for buildings owned by any city, county or school district, except as otherwise provided by this section.

Sec. 147. Minnesota Statutes 1980, Section 116H.121, Subdivision 2, is amended to read:

Subd. 2. ~~Effective January 1, 1978,~~ The illumination standards promulgated pursuant to subdivision 1, ~~shall be~~ *are* mandatory for all public buildings where economically feasible. For the purposes of this subdivision, "public building" means any building which is open to the public during normal business hours and which exceeds 5,000 square feet in gross floor area. The ~~director commissioner~~ shall specify the formula for determining economic feasibility and ~~shall take appropriate measures prior to January 1, 1978 to inform building owners and managers of the requirements of this subdivision and to assist them in complying with it.~~

Sec. 148. Minnesota Statutes 1980, Section 116H.122, is amended to read:

116H.122 [ENERGY CONSERVATION IN STATE OWNED BUILDINGS.]

By June 30, 1982, the commissioner of administration, in cooperation with the ~~director commissioner~~, shall complete a mini-audit or maxi-audit of all buildings which are heated and owned by the state of Minnesota, including buildings and associated facilities of the state university system, the state fairgrounds as defined in section 37.01, the Minnesota historical society building, and all buildings under the administration or supervision of the commissioners of natural resources, corrections, welfare, and transportation. The commissioner of administration shall determine the estimated remaining useful life of each building, together with the present degree and estimated cost of compliance with the energy conservation standards promulgated pursuant to section 116H.121. The commissioner of administration shall estimate the annual potential savings in units of fuel and fuel procurement costs which would be realized for each state owned building if its operating procedures were modified and it were improved to comply with each of the energy conservation standards promulgated pursuant to section 116H.121. If ~~funds appropriations~~ are inadequate to complete a mini-audit or maxi-audit of all state owned buildings, the commissioner of administration shall give priority to buildings of 25,000 or more square feet. If the commissioner of administration determines that a modification is economically feasible, in that savings in fuel procurement costs will exceed the cost of the modification amortized over the remaining useful life of the building, he shall recommend implementation of the modification to the legislature. The commissioner of administration shall submit to the legislature an annual progress report on January 1 of each year and a final progress report by December 31, 1982, indicating the number and percentage of state owned buildings surveyed, the estimated costs of implementing the economically feasible modifications, the energy savings and costs resulting from implementing such modifications, and his findings, recommendations, and priorities for implementing economically feasible modifications.

Sec. 149. Minnesota Statutes 1980, Section 116H.123, is amended to read:

116H.123 [ENERGY CONSERVATION IN UNIVERSITY BUILDINGS.]

By June 30, 1982, the University of Minnesota, after consultation with the ~~director commissioner~~, shall complete a mini-audit or a maxi-audit of all buildings and associated facilities of the University of Minnesota which are heated. The university shall determine the estimated remaining useful life of each building, together with the present degree and estimated cost of compliance with the energy conservation standards promulgated pursuant to section 116H.121. The university shall estimate the annual potential savings in units of fuel and fuel procurement costs for existing heating and cooling systems, which savings would be realized for each university owned building if its operating procedures were modified and it were improved to comply with each of the energy conservation standards promulgated pursuant to section 116H.121. If ~~funds appropriations~~ are inadequate to complete a mini-audit or maxi-audit of all university owned buildings, the university shall give priority to buildings of 25,000 or more square feet. If the university determines that a modification is economically feasible, in that estimated savings in fuel procurement costs will exceed the cost of the modification amortized over the remaining useful life of the building, it shall implement the modification in a manner designed to maximize the reduction in costs resulting from the modification. The university shall submit to the legislature an annual progress report on January 1 of each year and a final report by December 31, 1982, indicating the number and percentage of university owned buildings surveyed, the estimated costs of implementing the economically feasible modifications, the energy savings and costs resulting from implementing such modifications, and its preliminary findings, recommendations, and priorities for implementing economically feasible modifications.

Sec. 150. Minnesota Statutes 1980, Section 116H.124, is amended to read:

116H.124 [LOCAL GOVERNMENTAL SURVEYS AND FUEL COST ESTIMATES.]

Subdivision 1. ~~[BUILDING ENERGY REPORT.]~~ The governing body of each city and county shall complete a building energy report for all existing city owned or county owned buildings within their respective jurisdictions which are heated. The building energy report shall be recorded on a form furnished by the director. Each governing body shall file the building energy report with the director by December 31, 1979, for his review and analysis.

Subd. 2. [MINI-AUDITS AND MAXI-AUDITS.] On or before June 30, 1980, based upon analysis of the building energy reports, the ~~director commissioner~~ shall indicate to the governing body of each city and county those buildings upon which a mini-audit, a maxi-audit, or both, shall be performed. The audit results shall be recorded on a form furnished by the ~~director commissioner~~, and filed with the ~~director commissioner~~ by December 31, 1982.

Subd. 3. [APPEAL FROM DECISION OF DIRECTOR COMMISSIONER.] The governing body of any city or county may appeal the decision of the ~~director commissioner~~ pursuant to subdivision 2 by submitting in writing to the ~~director commissioner~~ the reasons for the appeal. No appeal may be considered by the ~~director commissioner~~ if received later than three months after notification to the city or county that a mini-audit or maxi-audit shall be performed. The ~~director commissioner~~ shall review all appeals and respond to the governing body within one month of receipt of the appeal indicating

whether the appeal is granted in full, granted in part, or denied.

Subd. 4. [CERTIFICATION OF AUDITORS.] The ~~director~~ *commissioner* may certify persons to perform mini-audits and maxi-audits, and to complete the building energy reports.

Subd. 5. [ACCEPTANCE OF EQUIVALENT ENERGY SURVEY.] The ~~director~~ *commissioner* may accept the results of an equivalent energy survey in place of the building energy report or audits required under this section.

Sec. 151. Minnesota Statutes 1980, Section 116H.126, is amended to read:

116H.126 [PUBLIC SCHOOL BUILDING ENERGY REPORTS AND AUDITS.]

~~Subdivision 1. [BUILDING ENERGY REPORT.] Each school district shall complete a building energy report for all existing public school buildings which it owns or operates and which are heated. The building energy report shall be recorded on a form furnished by the director. Each school district shall file the building energy reports with the director by December 31, 1979, for his review and analysis.~~

Subd. 2. [MINI-AUDITS AND MAXI-AUDITS.] On or before July 1, 1980, based upon the analysis of the building energy reports, the ~~director~~ *commissioner* shall indicate to each school district those buildings upon which a mini-audit, maxi-audit, or both, shall be performed. The audit results shall be recorded on a form furnished by the ~~director~~ *commissioner* and filed with the ~~director~~ *commissioner* by December 31, 1982.

Subd. 3. [APPEAL FROM DECISION OF ~~DIRECTOR~~ *COMMISSIONER*.] Any school district may appeal the decision of the ~~director~~ *commissioner* pursuant to subdivision 2 by submitting in writing to the ~~director~~ *commissioner* the reasons for the appeal. No appeal may be considered by the ~~director~~ *commissioner* if received later than three months after notification to the school district that a mini-audit or maxi-audit shall be performed. The ~~director~~ *commissioner* shall review all appeals and respond to the school district within one month of receipt of the appeal indicating whether the appeal is granted in full, granted in part, or denied.

Subd. 4. [CERTIFICATION OF AUDITORS.] The ~~director~~ *commissioner* may certify persons to perform mini-audits and maxi-audits, and to complete the building energy reports.

Subd. 5. [ACCEPTANCE OF EQUIVALENT ENERGY SURVEYS.] The ~~director~~ *commissioner* may accept the results of an equivalent energy survey in place of the building energy report and audits required under this section.

Subd. 6. [SCHOOL DISTRICTS INTENDING TO CLOSE PUBLIC SCHOOL BUILDINGS.] A school district intending to permanently close or otherwise discontinue use of any existing public school building by January 1, 1985, shall not be required to comply with this section as to those buildings, if a certification of intent to close the building is filed with the ~~director~~ *commissioner*.

~~Subd. 7. [STUDY OF CAPABILITY OF ENERGY MANAGEMENT PERSONNEL.] The director shall conduct a study of the capabilities and level of training of school district energy management personnel. The report shall~~

include recommendations and shall be submitted to the legislature by January 1, 1980.

Sec. 152. Minnesota Statutes 1980, Section 116H.127 is amended to read:

116H.127 [SOLAR ENERGY SYSTEM STANDARDS OF PERFORMANCE.]

The ~~building code division of the department~~ *commissioner* of administration in consultation with the ~~agency~~ *commissioner* shall ~~promulgate~~ *adopt* rules by ~~December 31, 1976~~, concerning quality and performance standards which are in reasonable conformance with the Interim Performance Criteria for Solar Heating and Combined Heating/Cooling Systems and Dwellings, National Bureau of Standards, January 1, 1975; and the Interim Performance Criteria for Commercial Solar Heating and Combined Heating/Cooling Systems and Facilities, National Aeronautics and Space Administration, February 28, 1975, to insure that within the existing state of development, solar energy systems as defined in section 116H.02, subdivision 11, which are sold or installed within this state, are effective and represent a high standard of quality of material, workmanship, design, and performance. The ~~department~~ *commissioner* of administration in consultation with the ~~energy agency~~ *commissioner* shall ~~modify existing standards and promulgate new standards subsequent to December 31, 1976~~, *amend the rules* as new technology and materials become available, or as standards are revised by the federal government.

Manufacturers or retailers of solar energy systems shall disclose to each bona fide potential purchaser of a system the extent to which the system meets or exceeds each quality standard.

Sec. 153. Minnesota Statutes 1980, Section 116H.128, is amended to read:

116H.128 [REVIEW OF ENERGY RESEARCH AND DEMONSTRATION PROJECTS.]

The ~~director~~ *commissioner* shall continuously identify, monitor, and evaluate in terms of potential direct benefit to, and possible implementation in Minnesota, research studies and demonstration projects of alternative energy systems and methodologies currently performed in Minnesota and other states and countries including:

- (a) Solar energy systems for heating and cooling;
- (b) Energy systems using wind, agricultural wastes, forestry products, peat, and other nonconventional energy resources;
- (c) Devices and technologies increasing the energy efficiency of energy consuming appliances, equipment, and systems;
- (d) Hydroelectric power; and
- (e) ~~Such~~ Other projects as the ~~director~~ *commissioner* deems appropriate and of direct benefit to Minnesota and other states of the upper midwest.

Sec. 154. Minnesota Statutes 1980, Section 116H.129, Subdivision 1, is amended to read:

Subdivision 1. ~~Before January 1, 1979~~, The commissioner of administration, in consultation with the ~~director~~ *commissioner* and the appropriate standing committees of the legislature, shall ~~promulgate~~ *adopt* rules containing

minimum energy efficiency standards for existing residences. The standards shall be economically feasible in that the resultant savings in energy procurement costs, based on current and projected average residential energy costs in Minnesota as certified by the ~~director~~ *commissioner* in the state register, will exceed the cost of the energy conserving requirements amortized over the five-year period subsequent to the incurring of ~~such~~ *the* cost. The costs computed under this section shall include reasonable inflation and interest factors. ~~Not later than January 1, 1981, the commission shall amend~~ The rules ~~to shall~~ require that energy conserving requirements shall be amortized over a ten year period.

Sec. 155. Minnesota Statutes 1980, Section 116H.129, Subdivision 4, is amended to read:

Subd. 4. [INSPECTIONS.] The ~~energy agency~~ *commissioner* shall conduct inspections on a random basis for compliance with the provisions of subdivision 3.

Sec. 156. Minnesota Statutes 1980, Section 116H.129, Subdivision 5, is amended to read:

Subd. 5. [RESIDENTIAL ENERGY DISCLOSURE PROGRAM.] ~~By May 1, 1980,~~ The commissioner of administration, in consultation with the ~~director of the energy agency~~ *commissioner* and the appropriate standing committees of the legislature, shall ~~promulgate~~ *adopt* rules providing for residential energy disclosure requirements and shall approve forms for the purposes of this subdivision. The rules and forms shall provide only for the disclosure of structural characteristics, energy use characteristics relating to energy consumption and conservation, and the extent of compliance with standards adopted pursuant to subdivision 1. Nothing in the forms shall indicate or be deemed to indicate that the residence meets all state building code specifications.

Sec. 157. Minnesota Statutes 1980, Section 116H.129, Subdivision 6, is amended to read:

Subd. 6. [BUILDING EVALUATORS.] ~~By August 1, 1980,~~ The commissioner of administration shall certify evaluators in each county of the state who are qualified to determine the compliance of a residence with applicable energy disclosure requirements. The commissioner of administration shall, by rule pursuant to chapter 15, establish standards for the certification and performance of evaluators and set a fee for the certification of evaluators which is sufficient to cover the ongoing costs of the program once it is established. The commissioner of administration shall encourage the certification of existing groups of trained municipal personnel and individuals from public service organizations. ~~Effective August 1, 1980,~~ Each certified evaluator shall, on request of the owner, inspect any residence and report the degree to which it complies with applicable energy disclosure requirements. The inspections shall be made within 30 days of the request.

Sec. 158. Minnesota Statutes 1980, Section 116H.129, Subdivision 8, is amended to read:

Subd. 8. ~~Before January 1, 1978, the commissioner of administration, in consultation with the director, shall by rule amend~~ The standards concerning heat loss, illumination, and climate control ~~promulgated~~ *adopted* pursuant to section 116H.12, subdivision 4, ~~to shall~~ require that electrical service to indi-

vidual dwelling units in buildings containing two or more units be separately metered, with individual metering readily accessible to the individual occupants. The standards authorized by this subdivision shall only apply to buildings constructed after the effective date of the amended standards. Buildings intended for occupancy primarily by persons who are 62 years of age or older or handicapped, or which contain a majority of units not equipped with complete kitchen facilities, shall be exempt from the provisions of this subdivision.

Sec. 159. Minnesota Statutes 1980, Section 116H.13, is amended to read:

116H.13 [CERTIFICATE OF NEED.]

Subdivision 1. The ~~director~~ commissioner shall, pursuant to chapter 15 and sections 116H.01 to 116H.15, ~~promulgate~~ adopt assessment of need criteria to be used in the determination of need for large energy facilities pursuant to this section.

Subd. 2. ~~On and after the effective date of the assessment of need criteria adopted pursuant to subdivision 1,~~ No large energy facility shall be sited or constructed in Minnesota without the issuance of a certificate of need by the ~~director~~ commissioner pursuant to sections 116H.01 to 116H.15 and consistent with the criteria for assessment of need.

Subd. 3. No proposed large energy facility shall be certified for construction unless the applicant has justified its need. In assessing need, the ~~director~~ commissioner shall evaluate:

(1) The accuracy of the long range energy demand forecasts on which the necessity for the facility is based;

(2) The effect of existing or possible energy conservation programs under sections 116H.01 to 116H.15 or other federal or state legislation on long term energy demand;

(3) The relationship of the proposed facility to overall state energy needs, ~~such as are~~ described in the most recent state energy policy and conservation report prepared pursuant to section 116H.11;

(4) Promotional activities which may have given rise to the demand for this facility;

(5) Socially beneficial uses of the output of this facility, including its uses to protect or enhance environmental quality;

(6) The effects of the facility in inducing future development;

(7) Possible alternatives for satisfying the energy demand including but not limited to potential for increased efficiency of existing energy generation facilities;

(8) The policies, rules and regulations of other state and federal agencies and local governments; and

(9) Any feasible combination of energy conservation improvements, required by the public utilities commission pursuant to section 216B.241, that can ~~(1)~~ (a) replace part or all of the energy to be provided by the proposed facility, and ~~(2)~~ (b) compete with it economically.

Subd. 4. ~~After promulgation of the criteria for assessment of need,~~ Any

person proposing to construct a large energy facility shall apply for a certificate of need prior to construction of the facility. The application shall be on forms and in a manner established by the ~~director~~ commissioner. In reviewing each application the ~~director~~ commissioner shall hold at least one public hearing pursuant to chapter 15. The public hearing shall be held at a location and hour reasonably calculated to be convenient for the public. An objective of the public hearing shall be to obtain public opinion on the necessity of granting a certificate of need. The ~~director~~ commissioner shall designate ~~an energy agency~~ a department employee whose duty shall be to facilitate citizen participation in the hearing process.

Subd. 5. Within six months of the submission of an application, the ~~director~~ commissioner shall approve or deny a certificate of need for the facility. ~~Such~~ Approval or denial of the certificate shall be accompanied by a statement of the reasons for the decision. Issuance of the certificate may be made contingent upon modifications required by the ~~director~~ commissioner.

Subd. 6. Any application for a certificate of need shall be accompanied by the fee required pursuant to this subdivision. The maximum fee shall be \$50,000, except for an application for an electric power generating plant as defined in section 116H.02, subdivision 5, clause (a) or a high voltage transmission line as defined in section 116H.02, subdivision 5, clause (b), for which the maximum fee shall be \$100,000. The ~~director~~ commissioner may require an additional fee to recover the costs of any rehearing. The fee for a rehearing shall not be greater than the actual cost of the rehearing or the maximum fee specified above, whichever is less. The ~~director~~ commissioner shall establish by rule pursuant to chapter 15 and sections 116H.01 to 116H.15, a schedule of fees based on the output or capacity of the facility and the difficulty of assessment of need. ~~Funds~~ Money collected in this manner shall be credited to the general fund of the state treasury.

Subd. 7. Other state agencies authorized to issue permits for siting, construction or operation of large energy facilities, and those state agencies authorized to participate in matters before the Minnesota public utilities commission involving utility rates and adequacy of utility services, shall present their position regarding need and participate in the public hearing process prior to the issuance or denial of a certificate of need. Issuance or denial of certificates of need shall be the sole and exclusive prerogative of the ~~director~~ commissioner and said determinations and certificates shall be binding upon other state departments and agencies, regional, county and local governments and special purpose government districts except as provided in sections 116C.01 to 116C.08 and 116D.04, subdivision 9.

Subd. 8. This section shall not apply in any case where the ~~director~~ commissioner shall determine after being advised by the attorney general that its application has been preempted by federal law.

Sec. 160. Minnesota Statutes 1980, Section 116H.14, is amended to read:

116H.14 [SUBPOENA POWER.]

The ~~director~~ commissioner shall have the power, for the purposes of sections 116H.01 to 116H.15, to issue subpoenas for production of books, records, correspondence and other information and to require attendance of witnesses. ~~Such~~ The subpoenas may be served anywhere in the state by any person

authorized to serve processes of courts of record. If a person does not comply with a subpoena, the ~~director~~ *commissioner* may apply to the district court of Ramsey county and the court shall compel obedience to the subpoena by a proper order. A person failing to obey the order is punishable by the court as for contempt.

Sec. 161. Minnesota Statutes 1980, Section 116H.15, Subdivision 2, is amended to read:

Subd. 2. The provisions of sections 116H.01 to 116H.15, 325F.20, and 325F.21, or any rules or regulations promulgated hereunder may be enforced by injunction, action to compel performance or other appropriate action in the district court of the county wherein the violation takes place. The attorney general shall bring any action under this subdivision upon the request of the ~~director~~ *commissioner*, and the existence of an adequate remedy at law shall not be a defense to an action brought under this subdivision.

Sec. 162. Minnesota Statutes 1980, Section 116H.17, is amended to read:

116H.17 [ENERGY AUDITS.]

The ~~director of the energy agency~~ *commissioner*, in cooperation with the director of consumer services, shall develop the state plan for the program of energy audits of residential and commercial buildings required by 42 United States Code, Section 8211 et seq. The consumer services division and the attorney general are authorized to release information on consumer complaints about the operation of the program to the ~~energy agency~~ *commissioner*.

Sec. 163. Minnesota Statutes 1980, Section 116H.18, is amended to read:

116H.18 [ENERGY EFFICIENT BUILDING EDUCATION.]

The ~~energy agency~~ *commissioner* shall develop a program to provide information and training to contractors, engineers and architects on techniques and standards for the design and construction of buildings which maximize energy efficiency. The program may include the production of printed materials and the development of training courses.

Sec. 164. Minnesota Statutes 1980, Section 116H.19, Subdivision 1, is amended to read:

Subdivision 1. The ~~director of the energy agency~~ *commissioner*, in consultation with the commissioner of agriculture, and the ~~commissioner of economic development~~, shall ~~prepare a plan for the creation and organization of~~ *organize* a Minnesota biomass center, ~~to be delivered to the legislature by January 1, 1981.~~

The center shall be the focus of biomass energy activities for the state. To the maximum extent possible, the center shall coordinate its activities and the use of its staff and facilities with those of other entities involved in biomass energy projects.

Sec. 165. Minnesota Statutes 1980, Section 116H.23, is amended to read:

116H.23 [PRIORITIES FOR FUNDING.]

All applications for funding shall be made to the ~~director of the Minnesota energy agency~~ *commissioner*. Applications shall be accompanied by a report on the energy using characteristics of the building and any other information

the ~~director~~ *commissioner* may reasonably require. A school or local government may apply to the ~~director~~ *commissioner* to receive reimbursement for up to the reasonable costs of mini-audits or maxi-audits performed pursuant to section 116H.124 or 116H.126. ~~Notwithstanding any other law to the contrary, schools and local governments which submit their maxi-audits or mini-audits to the director prior to or on December 31, 1980 may use the state funds received to pay part of or all of the reasonable costs of energy conservation measures.~~ In the event that the applicant receives federal funds ~~money~~ pursuant to the National Energy Conservation Policy Act, P.L. 95-619, ~~which funds are that is intended to be used to pay part or all of the costs of a mini-audit or maxi-audit, the applicant shall receive state funds money, which, when combined with federal funds money received, equal equals the reasonable costs of the mini-audit or maxi-audit. The director shall not prior to December 31, 1980, order maxi-audits for more than one-third of the buildings for which building energy reports are submitted.~~

Sec. 166. Minnesota Statutes 1980, Section 120.78, Subdivision 1, is amended to read:

Subdivision 1. On or before December 31 of each year each school district shall submit to the commissioner of education, in such manner and upon such forms as he shall furnish, a comprehensive report of the energy consumed by the district during the previous school year ending June 30. The report shall include: (1) a building energy report, as defined in section 116H.02, on each building and other structure maintained by the district; (2) the amount of fuel used to transport students to and from school and between schools; and (3) ~~such~~ other information ~~as the commissioner may require~~ *requires* related to the consumption of energy. The report shall be developed by the commissioner in consultation with the ~~director of the energy agency~~ *commissioner of energy, planning and development*.

Sec. 167. Minnesota Statutes 1980, Section 124.225, Subdivision 4a, is amended to read:

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~~ *commissioner of energy, planning and development* 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~~ *commissioner of energy, planning and development*;

(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.

Sec. 168. Minnesota Statutes 1980, Section 126.111, Subdivision 2, is amended to read:

Subd. 2. The commissioner of education in consultation with the ~~director of the energy agency~~ *commissioner of energy, planning and development* shall prepare an interdisciplinary program in the field of energy sources, uses, conservation, and management. The first phase shall be an assessment of available curriculum materials, the amount and type of energy curriculum already being taught, and what needs to be developed to provide an integrated approach to energy education consistent with socio-economic and ecological principles. Subsequent phases shall include development of curriculum guidelines and materials and a plan for their implementation as ~~funds become money~~ *becomes available*.

Sec. 169. Minnesota Statutes 1980, Section 137.31, Subdivision 6, is amended to read:

Subd. 6. [ANNUAL REPORT.] The University of Minnesota shall submit

an annual report as provided in section 3.195, to the governor and the legislature, with a copy to the commissioner of ~~economic development~~ *energy, planning and development*, indicating the progress being made toward the objectives and goals of this section. The report shall include the following information:

(a) The total dollar value and number of procurement contracts identified and set aside during this period and the percentage of total value of university procurements that this figure reflects;

(b) The number of small businesses identified by and responding to the university set aside program, the total dollar value and number of procurement contracts actually awarded to small businesses with appropriate designation as to the total number and value of procurement contracts awarded to each small business, and the total number of small businesses that were awarded procurement contracts;

(c) The total dollar value and number of procurement contracts awarded to small businesses owned and operated by economically or socially disadvantaged persons with appropriate designation as to the total number and value of procurement contracts awarded to each small business, and the percentages of the total value of university procurements the figures of total dollar value and the number of procurement contracts reflect; and

(d) The number of procurement contracts which were designated and set aside pursuant to this section but which were not awarded to a small business, the estimated total dollar value of these awards, the lowest offer or bid on each of these awards made by the small business and the price at which these contracts were awarded pursuant to regular procurement procedures.

Sec. 170. Minnesota Statutes 1980, Section 138.93, Subdivision 4, is amended to read:

Subd. 4. [MASTER PLANS.] The owner shall prepare and submit to the regional planning commission a master plan for the development and management of the center, in a format and detail appropriate for the project. The regional planning commission shall choose a project and report its choice to the Minnesota historical society. The Minnesota historical society shall make the master plan available for review and comment by the public and other state agencies for at least 30 days. Copies of the master plan shall be submitted to the ~~state planning agency~~ *commissioner of energy, planning and development* for review and comment.

Sec. 171. Minnesota Statutes 1980, Section 145.834, is amended to read:

145.834 [CERTIFICATE OF NEED REQUIRED.]

No construction or modification of or predevelopment activities by a health care facility, whether public, nonprofit, or proprietary, shall be commenced or offered unless a certificate of need has been issued therefor in accordance with sections 145.832 to 145.845. The state planning agency, as the administrative authority for the National Health Planning and Resource Development Act of 1974, 42 U.S.C., Section 300k, et seq., shall enter into an agreement with the commissioner of health under which the commissioner of health shall ~~promulgate~~ *adopt* rules governing the administration of sections 145.832 to 145.845. The commissioner of health shall ~~promulgate~~ *adopt* rules to define the com-

mencement of a construction or a modification or predevelopment activities and other rules necessary to implement, enforce and administer sections 145.832 to 145.845. All rules heretofore ~~promulgated~~ *adopted* by the state planning agency pursuant to certificate of need shall remain in effect until ~~modified amended~~ or repealed by the rules of the commissioner of health.

Sec. 172. Minnesota Statutes 1980, Section 145.835, Subdivision 1, is amended to read:

Subdivision 1. [PRECONSTRUCTION NOTICE.] No health care facility, or person, group, corporation or association intending to embark upon a program of construction or modification of a health care facility, shall engage architectural, professional consultation, other predevelopment activities, or fund raising services with respect to construction or modification until it has notified the health systems agency of its intention to engage ~~such the~~ services or activities. The notice shall state simply the nature of the architectural, professional consultation, other predevelopment activities, or fund raising services to be engaged and the nature of the construction or modification contemplated. Upon receipt of notice under this section, the health systems agency shall promptly notify the commissioner of health and the ~~state planning agency~~ *commissioner of energy, planning and development*.

Sec. 173. Minnesota Statutes 1980, Section 145.836, Subdivision 1, is amended to read:

Subdivision 1. [APPLICATION PROCEDURE.] Applications for certificate of need shall be submitted to the health systems agency serving the area in which the proposed construction or modification is to take place. Prior to acting on the application and within ten days of receipt, the health systems agency shall send a copy to the commissioner of health and to the ~~state planning agency~~ *commissioner of energy, planning and development* with a recommendation that the application be considered either complete or incomplete. The commissioner of health shall determine that the application is initially complete or incomplete within ten days of receipt of a recommendation from a health systems agency. If the application is incomplete, it is not to be considered to be submitted to the health systems agency or the commissioner and it shall be returned stating the specific needs to be met in order for the application to be considered complete.

Sec. 174. Minnesota Statutes 1980, Section 145.837, Subdivision 1, is amended to read:

Subdivision 1. [CRITERIA FOR REVIEW.] The commissioner of health shall, after consulting with the ~~state planning agency~~ *commissioner of energy, planning and development* and the health systems agencies, ~~promulgate adopt~~ rules governing the health systems agencies in their determinations whether certificates of need are required and in their review of applications for certificates of need pursuant to sections 145.832 to 145.845. The rules shall provide for the consideration of at least the following criteria:

(a) The relationship of the proposed construction or modification to the applicable health system plan and annual implementation plan;

(b) The relationship of the construction or modification being proposed to the long range development plan of the health care facility requesting the certificate of need;

(c) The need for health care facilities and services, excluding home health services, in the area and the requirements of the population of the area;

(d) The availability and adequacy of other less costly or more effective health services in the area which may serve as alternates or substitutes for the whole or any part of the service to be provided by the proposed construction or modification;

(e) The relationship of the proposed construction or modification to the existing health care system of the area, including the possible economies and improvement in service that may be derived from operation of joint, cooperative, or shared health care resources;

(f) The availability of resources, including health care providers, management personnel, and funds for both capital and operational needs for the provision of the services proposed to be provided and the availability of alternative uses of such resources for the provision of other health services;

(g) The immediate and long-term financial feasibility of the proposed construction or modification, as well as its probable impact on the operational costs and charges of the health care facility;

(h) The relationship, including the organizational relationship, of the health services proposed to be provided to ancillary or support services;

(i) The special needs and circumstances of medical teaching, research facilities and referral facilities which provide a substantial portion of their services or resources, or both, to individuals outside of the health service area;

(j) The special needs and circumstances of biomedical and behavioral research projects which are designed to meet a national need and for which local conditions offer special advantages;

(k) In the case of a construction project: the costs and methods of the proposed construction, including the costs and methods of energy provision and the probable impact of the construction project reviewed on the costs of providing health services by the person proposing the project;

(l) The special needs of hospitals to convert excess hospital beds to long-term care or other alternate functions, but only if the hospitals terminate all acute care services; and

(m) The special requirements of health maintenance organizations to meet the health care needs of their present and future subscribers.

Sec. 175. Minnesota Statutes 1980, Section 145.845, is amended to read:

145.845 [HEALTH SYSTEMS AGENCIES; MEMBERSHIP.]

The commissioner of health shall after consulting with the ~~state planning agency promulgate~~ *commissioner of energy, planning and development adopt* rules concerning the membership of health systems agencies. The rules shall:

(1) Comply with the provisions of the National Health Planning and Resources Development Act, 42 U.S.C., Section 300k, et seq.;

(2) Provide that a majority of the membership be composed of consumers;

(3) Provide for representation of hospital and nursing home providers;

(4) Provide for representation of local boards of health;

(5) Provide for representation of licensed medical doctors and other health professionals;

(6) Provide for a fixed term of membership; and

(7) Provide that members of a health systems agency shall not select their successors.

No existing health systems agency shall exercise the functions provided in sections 145.832 to 145.845 until it is in compliance with rules ~~issued~~ *adopted* pursuant to this section.

If there is no health systems agency in a designated area of the state in compliance with sections 145.832 to 145.845, the ~~Minnesota state planning agency~~ *commissioner of energy, planning and development* shall perform the functions and duties of a health systems agency for that area. In this specific instance, the ~~state planning agency~~ *commissioner of energy, planning and development* shall be exempt from utilizing the services of the hearing examiner.

Sec. 176. Minnesota Statutes 1980, Section 145.912, Subdivision 15, is amended to read:

Subd. 15. "Population" means the total resident population as enumerated during the most recent federal census or, the annual population estimate prepared by the ~~state planning agency~~ *commissioner of energy, planning and development* in cooperation with the bureau of the census shall be used in order to have the most current data available.

Sec. 177. Minnesota Statutes 1980, Section 160.262, Subdivision 1, is amended to read:

Subdivision 1. The legislature determines that it is in the interests of the public health, safety and welfare, to provide for the addition of bicycle and recreational vehicle lanes to proposed and existing public highways. ~~The state planning agency shall conduct a study:~~

(1) ~~to propose model standards for the establishment of bicycle and recreational vehicle lanes on and along proposed and existing public highways, and~~

(2) ~~to determine methods, other than the use of bonds, for financing the bicycle and recreational vehicle lanes. The results of the study shall be forwarded to the commissioner of transportation no later than July 1, 1974.~~

~~No later than January 1, 1975,~~ The commissioner of transportation shall ~~promulgate~~ *adopt*, in the manner provided in chapter 15, model standards for the establishment of recreational vehicle lanes on and along proposed and existing public highways. ~~In the study undertaken by the state planning agency and in the promulgation of the model standards by the commissioner,~~ The model standards shall include but not be limited to the following: (a) criteria for desirability of ~~such~~ a lane in any given location, (b) provision for maintenance of ~~such~~ the lanes, and (c) the placement of ~~such~~ the lanes in relation to roads. The model standards shall govern state trunk highways.

Sec. 178. Minnesota Statutes 1980, Section 160.262, Subdivision 3, is amended to read:

Subd. 3. The following departments and agencies shall cooperate in provid-

ing the information and advice for the study by the state planning agency and the promulgation of model standards and amendments thereto to the model standards by the commissioner of transportation: the departments of agriculture, transportation, economic development, natural resources, public service, the state planning agency energy, planning and development, and the state soil and water conservation board. The commissioner may cooperate with and enter into agreements with the United States government, any department of the state of Minnesota, any unit of local government and any public or private corporation in order to effect the purposes of this section.

Sec. 179. Minnesota Statutes 1980, Section 160.265, Subdivision 1, is amended to read:

Subdivision 1. [STATE BICYCLE TRAILS.] The commissioner of transportation shall establish a program for the development of bicycle trails primarily on existing road rights of way. "Bicycle trails", as used in this section, includes bicycle lanes and bicycle ways as those terms are used in sections 160.263 and 160.264. The program shall include a system of bicycle trails to be established, developed, maintained, and operated by the commissioner of transportation and a system of state grants for the development of local bicycle trails primarily on existing road rights of way. The program shall be coordinated with the local park trail grant program established by the state planning agency commissioner of energy, planning and development pursuant to section 4.36, with the bicycle trail program established by the commissioner of natural resources pursuant to section 85.016, with the development of the statewide transportation plan pursuant to section 174.03, and with existing and proposed local bicycle trails. In the metropolitan area as defined in section 473.121, the program shall be developed in accordance with plans and priorities established by the metropolitan council. The program shall be developed after consultation with the state trail council, local units of government, and bicyclist organizations. The program shall be administered in accordance with the provisions of sections 160.262 to 160.264 and standards promulgated pursuant thereto. The commissioner shall compile and maintain a current registry of bicycle trails in the state and shall publish and distribute the information contained in the registry in a form and manner suitable to assist persons wishing to use the trails. The metropolitan council, the commissioner of natural resources, the state planning agency commissioner of energy, planning and development, the Minnesota historical society, and local units of government shall cooperate with and assist the commissioner of transportation in preparing the registry. The commissioner shall have all powers necessary and convenient to establish the program pursuant to this section including but not limited to the authority to adopt rules pursuant to chapter 15.

Sec. 180. Minnesota Statutes 1980, Section 174.03, Subdivision 7, is amended to read:

Subd. 7. [ENERGY CONSERVATION.] The commissioner, in cooperation with the Minnesota energy agency commissioner of energy, planning and development, shall evaluate all modes of transportation in terms of their levels of energy consumption. The director of the energy agency commissioner of energy, planning and development shall provide the commissioner with projections of the future availability of energy resources for transportation. The commissioner shall use the results of this evaluation and the projections to evaluate alternative programs and facilities to be included in the statewide plan

and to otherwise promote the more efficient use of energy resources for transportation purposes.

Sec. 181. Minnesota Statutes 1980, Section 204A.06, Subdivision 1b, is amended to read:

Subd. 1b. [PRECINCT BOUNDARIES; DESCRIPTION, MAPS.] The clerk shall file with the secretary of state and the ~~state demographer in the state planning agency~~ *commissioner of energy, planning and development* a map showing the correct boundaries of the precincts in the municipality and shall keep on file in his office for public inspection a copy of the map. At least 30 days before any change in a precinct or corporate boundary becomes effective, the clerk shall place on file for public inspection a map setting forth the revised precinct boundaries and forward copies to the secretary of state and the ~~state demographer~~ *commissioner of energy, planning and development*. For every election held in the municipality the clerk shall furnish copies of the appropriate precinct map to the election judges for each polling place.

Sec. 182. Minnesota Statutes 1980, Section 216B.241, Subdivision 2, is amended to read:

Subd. 2. [PROGRAMS.] ~~Prior to January 1, 1981,~~ The commission, ~~after consultation with the energy agency,~~ shall initiate a pilot program designed to demonstrate the feasibility of investments and expenses of a public utility in energy conservation improvements. The commission, as part of the pilot program, shall order at least one public utility to make investments and expenditures in energy conservation improvements, explicitly setting forth the interest rates, prices, and terms under which the improvements shall be offered to the customers. The order of the commission shall provide to the extent practicable for a free choice of contractor, qualified under the residential conservation services program of the energy agency, for consumers participating in the pilot program. The commission shall not order a utility to make any energy conservation improvement investment or expenditure unless it first finds that the improvement will result in energy savings at a total cost to the utility less than the cost to the utility to produce or purchase an equivalent amount of new supply of energy. Investments and expenditures made pursuant to an order shall be treated for ratemaking purposes in the manner prescribed in section 216B.16, subdivision 6b. No utility shall make an energy conservation improvement pursuant to this section to a residential building envelope unless it is the primary supplier of energy used for either space heating or cooling in the building.

Sec. 183. Minnesota Statutes 1980, Section 222.62, is amended to read:

222.62 [COOPERATION OF OTHER STATE AGENCIES.]

Upon the request of the commissioner, the commissioner of ~~economic development~~ *energy, planning and development*, the commissioner of banks, and the commissioner of securities and real estate shall provide technical assistance and shall otherwise cooperate in carrying out the provisions of sections 222.55 to 222.62.

Sec. 184. Minnesota Statutes 1980, Section 222.65, is amended to read:

222.65 [ADVISORY TASK FORCE.]

The commissioner of transportation may establish an advisory task force in

the manner provided in section 15.059 to advise the department concerning the implementation of the rail service improvement program, the federal rail service continuation program, the state rail bank program, and the rail user loan guarantee program. The task force may include representatives of departments of agriculture, commerce, ~~economic development~~, natural resources, ~~the energy agency~~ *energy, planning and development*, state planning agency, railroad companies, railroad labor organizations, and rail users.

Sec. 185. Minnesota Statutes 1980, Section 245.783, Subdivision 2, is amended to read:

Subd. 2. The commissioner shall be responsible for processing applications for licensure made under ~~Laws 1976, Chapter 243 sections 245.781 to 245.812 and section 252.28; subdivision 2.~~ State agencies and departments including, but not limited to, the state fire marshal, state building code, state commissioner of health and ~~state planning agency~~ *commissioner of energy, planning and development*, which are involved in the investigation and review of a facility or an applicant's qualifications shall direct their employees to report directly to the commissioner on these matters and shall be subject to the rules promulgated by the commissioner with respect to the coordination of licensing and inspection functions. This subdivision relates only to other state departments or agencies and confers no additional powers or duties upon the commissioner respecting federal, county, municipal, or other nonstate agencies. Nothing in this subdivision shall prevent the state fire marshal from delegating inspection duties to local units of government.

Sec. 186. Minnesota Statutes 1980, Section 268.014, is amended to read:

268.014 [COOPERATION WITH OTHER STATE AGENCIES.]

To effectively coordinate job training and placement services with future job needs of the state the commissioner shall maintain close liaison, coordination and cooperation with the ~~department of economic development~~ *commissioner of energy, planning and development* and any other state agency involved in employment issues affecting the state.

Sec. 187. Minnesota Statutes 1980, Section 273.74, Subdivision 2, is amended to read:

Subd. 2. [CONSULTATIONS; COMMENT AND FILING.] Before formation of a tax increment financing district, the authority shall provide an opportunity to the members of the county boards of commissioners of any county in which any portion of the proposed district is located and the members of the school board of any school district in which any portion of the proposed district is located to meet with the authority. The authority shall present to the members of the county boards of commissioners and the school boards its estimate of the fiscal and economic implications of the proposed tax increment financing district. The members of the county boards of commissioners and the school boards may present their comments at the public hearing on the tax increment financing plan required by subdivision 3. Upon adoption of the tax increment financing plan, the authority shall file the same with the ~~state planning agency~~ *commissioner of energy, planning and development*.

Sec. 188. Minnesota Statutes 1980, Section 273.74, Subdivision 5, is amended to read:

Subd. 5. [ANNUAL DISCLOSURE.] For all tax increment financing dis-

tricts, whether created prior or subsequent to August 1, 1979, on or before July 1 of each year, the authority shall submit to the county board, the school board, the ~~state planning agency~~ *commissioner of energy, planning and development* and, if the authority is other than the municipality, the governing body of the municipality a report of the status of the district. The report shall include the following information: the amount and the source of revenue in the account, the amount and purpose of expenditures from the account, the amount of any pledge of revenues, including principal and interest on any outstanding bonded indebtedness, the original assessed value of the district, the captured assessed value retained by the authority, the captured assessed value shared with other taxing districts, the tax increment received and any additional information necessary to demonstrate compliance with any applicable tax increment financing plan. An annual statement showing the tax increment received and expended in that year, the original assessed value, captured assessed value, amount of outstanding bonded indebtedness and any additional information the authority deems necessary shall be published in a newspaper of general circulation in the municipality.

Sec. 189. Minnesota Statutes 1980, Section 275.53, Subdivision 1, is amended to read:

Subdivision 1. For the purpose of determining the amount of tax that a governmental subdivision may levy in accordance with a per capita limitation established by this chapter or the amount of aid that a city or township may receive pursuant to section 477A.01, the population of the governmental subdivision shall be that established by the last federal census, by a census taken pursuant to subdivision 2, or by a population estimate made by the metropolitan council, or by the population estimate of the ~~state demographer~~ *commissioner of energy, planning and development* made pursuant to section 4.12, subdivision 7, clause (10), whichever is the most recent as to the stated date of count or estimate, up to and including July 1 of the current levy year. Population changes established after July 1 of the current levy year shall not be used in determining the levy limitation of a governmental subdivision for the current levy year under sections 275.50 to 275.56.

Sec. 190. Minnesota Statutes 1980, Section 275.53, Subdivision 3, is amended to read:

Subd. 3. (a) In any year in which the population estimate for a governmental subdivision provided by the ~~state demographer~~ *commissioner of energy, planning and development* pursuant to subdivision 4 increases the amount of tax that the governmental subdivision may levy pursuant to sections 275.50 to 275.56, the governing body of the governmental subdivision shall publish notice of the estimate and the fact that it may result in an increased tax levy at least once in a legal newspaper of general circulation in the subdivision by August 1.

(b) Within 30 days following the publication of the notice, ten percent or more of the registered voters of the subdivision, or, if the subdivision does not require voter registration, then ten percent or more of its voters, who voted at the subdivision's last election, may sign and submit to the governing body of this subdivision a petition demanding a special census.

(c) Attached to the petition shall be an affidavit executed by the circulator or circulators thereof, stating that he or they personally circulated the petition, the

number of signatures thereon, that all signatures were affixed in his or their presence and that he or they believe them to be genuine signatures of the persons whose names they purport to be. Each signature need not be notarized.

(d) Upon the receipt of a petition conforming to this subdivision, the governing body shall contract for the taking of a special census pursuant to the provisions of subdivision 2.

Sec. 191. Minnesota Statutes 1980, Section 275.53, Subdivision 4, is amended to read:

Subd. 4. In any year in which the annual population estimate of the ~~state demographer~~ *commissioner of energy, planning and development* is the population of a governmental subdivision pursuant to subdivision 1, the governing body of the governmental subdivision may challenge the accuracy of the estimate by notifying the ~~state demographer~~ *commissioner* of its objections to the estimate by June 1. If the governing body of the governmental subdivision and the ~~state demographer~~ *commissioner* agree on a revised population estimate by July 1, the revised estimate shall become the annual population estimate of the ~~state demographer~~ *commissioner* for that governmental subdivision for that year.

Sec. 192. Minnesota Statutes 1980, Section 290.06, Subdivision 14, is amended to read:

Subd. 14. [RESIDENTIAL ENERGY CREDIT.] A credit of 20 percent of the first \$10,000 of renewable energy source expenditures, including the expenditures described in clauses (a), (b) and (d) if made by an individual taxpayer on a Minnesota building of six dwelling units or less and expenditures for biomass conversion equipment described in clause (c), may be deducted from the tax due under this chapter for the taxable year in which the expenditures were made. For purposes of this subdivision, the term "building" shall include a condominium or townhouse used by the taxpayer as a residence. In the case of qualifying expenditures incurred in connection with a building under construction by a contractor, the credit shall be deducted from the tax liability of the first individual to purchase the building for use as a principal residence or for residential rental purposes; the contractor shall not be eligible for the credit given pursuant to this subdivision for that expenditure.

A "renewable energy source expenditure" which qualifies shall include:

(a) Expenditures which qualify for the federal renewable energy source credit, pursuant to Section 44C of the Internal Revenue Code of 1954, as amended through December 31, 1979, and any regulations promulgated pursuant thereto, provided that, after December 31, 1980, any solar collector included in the claimed expenditure is certified by the ~~energy agency~~ *commissioner of energy, planning and development*. A solar collector is a device designed to absorb incident solar radiation, convert it to thermal energy, and transfer the thermal energy to a fluid passing through or in contact with the device. "Solar collector" shall not include passive solar energy systems as defined in clause (d);

(b) Expenditures for earth sheltered dwelling units. For purposes of this credit, an "earth sheltered dwelling unit" shall mean a structure which complies with applicable building standards and which is constructed so that:

(1) 80 percent or more of the roof area is covered with a minimum depth of 12 inches of earth; and

(2) 50 percent or more of the wall area is covered with a minimum depth of

12 inches of earth; and

(3) Those portions of the structure not insulated with a minimum of seven feet of earth shall have additional insulation;

(c) Expenditures for biomass conversion equipment located in Minnesota which produces ethanol, methane or methanol for use as a gaseous or as a liquid fuel which is not offered for sale; and

(d) Expenditures for passive solar energy systems. For purposes of this credit, a "passive solar energy system" is defined to include systems which utilize elements of the building and its operable components to heat or cool a building with the sun's energy by means of conduction, convection, radiation, or evaporation. A passive system shall include:

(1) Collection aperture, including glazing installed in south facing walls and roofs; and

(2) Storage element, including thermal mass in the form of water, masonry, rock, concrete, or other mediums which is designed to store heat collected from solar radiation.

A passive system may include *either or both*:

(1) Control and distribution element, including fans, louvers, and air ducts; and/or

(2) Retention element, including movable insulation used to minimize heat loss caused by nocturnal radiation through areas used for direct solar heat gain during daylight hours.

Eligible passive expenditures shall be for equipment, materials or devices that are an integral part of the components listed above and essential to the functioning of a passive design which qualifies pursuant to rules promulgated adopted by the commissioner of revenue in cooperation with the director of the energy agency commissioner of energy, planning and development. Expenditures for equipment, materials, or devices which are a part of the normal heating, cooling, or insulation system of a building are not eligible for the credit.

If a credit was allowed to a taxpayer under this subdivision for any prior taxable year, the dollar amount of the maximum expenditure for which a taxpayer may qualify for a credit under this subdivision in subsequent years shall be \$10,000 reduced by the amount of expenditures which a credit was claimed pursuant to this subdivision in prior years. A taxpayer shall never be allowed to claim more than \$10,000 of expenditures during the duration of the renewable energy credit.

The credit provided in this subdivision shall not be allowed in a taxable year if the amount of the credit would be less than \$10.

If the credit allowable under this subdivision exceeds the amount of tax due in a taxable year, the excess credit shall not be refunded but may be carried forward to the succeeding taxable year and added to the credit allowable for that year. No amount may be carried forward to a taxable year beginning after

December 31, 1984.

A shareholder in a family farm corporation and each partner in a partnership operating a family farm shall be eligible for the credit provided by this subdivision in the same manner and to the same extent allowed a joint owner of property under section 44C (d) of the Internal Revenue Code of 1954, as amended through December 31, 1979. "Family farm corporation" and "family farm" have the meanings given in section 500.24.

The credit provided in this subdivision is subject to the provisions of Section 44C, (c) (7), (d) (1) to (3), and (e), of the Internal Revenue Code of 1954, as amended through December 31, 1979, and any regulations promulgated pursuant thereto.

The commissioner of revenue in cooperation with the ~~director of the energy agency~~ *commissioner of energy, planning and development* shall ~~promulgate~~ *adopt* rules establishing additional qualifications and definitions for the credits provided in this subdivision.

Notwithstanding section 290.61, the commissioner of revenue may request the ~~energy agency~~ *commissioner of energy, planning and development* to assist in the review and auditing of the information furnished by the taxpayer for purposes of claiming this credit. The provisions of section 290.61 shall apply to employees of the ~~energy agency~~ *department of energy, planning and development* who receive information furnished by a taxpayer for purposes of claiming this credit.

The ~~director of the energy agency~~ *commissioner of energy, planning and development* shall ~~promulgate~~ *adopt* rules establishing the criteria for certification of solar collectors as required by clause (a). The criteria shall:

- (1) Specify the testing procedures to be used in the evaluation of solar collectors;
- (2) Establish minimum levels of collector quality for safety;
- (3) Provide a means to determine the maintainability and structural integrity of solar collectors;
- (4) Establish a system for evaluating and rating the thermal performance of solar collectors;
- (5) Specify the procedures to follow to obtain certification of a solar collector;
- (6) Conform to the maximum extent practicable to the solar collector certification requirements of other states which have adopted certification procedures; and
- (7) Allow for individual variation so as not to hamper the development of innovative solar collectors.

The ~~director of the energy agency~~ *commissioner of energy, planning and development* may ~~promulgate~~ *adopt* temporary rules pursuant to section 15.0412, subdivision 5 to establish this certification procedure.

This subdivision is effective for expenditures made during taxable years beginning after December 31, 1978 and before January 1, 1983.

Sec. 193. Minnesota Statutes 1980, Section 298.48, Subdivision 4, is amended to read:

Subd. 4. [CONFIDENTIAL NATURE OF INFORMATION.] The data filed pursuant to subdivision 1 shall be considered confidential for three years from the date it is filed with the commissioner. Nothing herein contained shall be construed to prohibit the commissioner from disclosing information or publishing statistics so classified as not to disclose the identity of particular data.

Notwithstanding the other provisions of this subdivision, the commissioner, at his discretion, may furnish any information supplied under this section to the commissioner of natural resources, the ~~director of the state planning agency~~ *commissioner of energy, planning and development*, or a county assessor. Any person violating the provisions of this section shall be guilty of a gross misdemeanor.

Sec. 194. Minnesota Statutes 1980, Section 299A.03, Subdivision 5, is amended to read:

Subd. 5. [CHAIRPERSON; STAFF.] *The commissioner shall be the chairperson of the crime control planning board shall serve at the pleasure of the governor and shall receive a salary as provided by law. The chairperson shall be experienced in the administration of programs related to law enforcement or criminal justice. The chairperson, shall serve as executive director of the board, shall preside at board meetings, shall organize the work of the board, and shall appoint all employees subject to the approval of the board. The commissioner of the state department of administration shall provide the crime control planning board with reasonable office space and administrative services requested by the board, and the board shall reimburse the commissioner of finance for the cost thereof.*

Sec. 195. Minnesota Statutes 1980, Section 299A.04, is amended to read:

299A.04 [GRANTS-IN-AID TO YOUTH INTERVENTION PROGRAMS.]

Subdivision 1. The ~~crime control planning board~~ *commissioner* may make grants to nonprofit agencies administering youth intervention programs in communities where the programs are or may be established.

"Youth intervention program" means a nonresidential community based program providing advocacy, education, counseling, and referral services to youth and their families experiencing personal, familial, school, legal or chemical problems with the goal of resolving the present problems and preventing the occurrence of the problems in the future.

Subd. 2. Applications for a grant-in-aid shall be made by the administering agency to the ~~crime control planning board~~ *commissioner*. The grant-in-aid is contingent upon the agency having obtained from the community in which the youth intervention program is established local matching money two times the amount of the grant that is sought.

The ~~crime control planning board~~ *commissioner* shall provide by rule the application form, procedures for making application form, criteria for review of the application, and kinds of contributions in addition to cash that qualify as local matching money. No grant to any agency shall exceed \$25,000.

Sec. 196. Minnesota Statutes 1980, Section 301.75, is amended to read:

301.75 [ADDITIONAL POWERS.]

In addition to the powers enumerated in section 300.08, subdivision 1, the corporation may:

(a) Borrow money and otherwise incur indebtedness for any of the purposes of the corporation; to issue its bonds, debentures, notes or other evidences of indebtedness, whether secured or unsecured, therefore and to secure the same by mortgage, pledge, deed or trust or other lien on its property, franchises, rights and privileges of every kind and nature or any part thereof.

(b) Lend money to, and to guarantee, endorse, or act as surety on the bonds, notes, contracts or other obligations of, or otherwise assist financially, any person, firm, corporation or association, and to establish and regulate the terms and conditions with respect to any such loans or financial assistance and the charges for interest and service connected therewith.

(c) Purchase, receive, hold, lease, or otherwise acquire, and to sell, convey, mortgage, lease, pledge, or otherwise dispose of, upon such terms and conditions as the board of directors may deem advisable, real and personal property, together with such rights and privileges as may be incidental and appurtenant thereto and the use thereof, including, but not restricted to, any real or personal property acquired by the corporation from time to time in the satisfaction of debts or enforcement of obligations.

(d) Acquire, by purchase or otherwise, the good will, business, rights, real and personal property and other assets, or any part thereof, of such persons, firms, corporations, joint stock companies, associations or trusts as may be in furtherance of the corporate purposes provided herein, and to assume, undertake, guarantee or pay the obligations, debts and liabilities of any such person, firm, corporation, joint stock company, association or trust; to acquire improved or unimproved real estate for the purpose of constructing industrial plants or other business establishments thereon or for the purpose of disposing of such real estate to others for the construction of industrial plants or other business establishments, and, in furtherance of the corporate purposes provided herein, to acquire, construct or reconstruct, alter, repair, maintain, operate, sell, lease, or otherwise dispose of industrial plants or business establishments.

(e) Acquire, subscribe for, own, hold, sell, assign, transfer, mortgage, pledge or otherwise dispose of the stock, shares, bonds, debentures, notes or other securities and evidences of interest in, or indebtedness of, any person, firm, corporation, joint stock company, association or trust, and, while the owner or holder thereof, to exercise all the rights, powers and privileges of ownership, including the right to vote thereon.

(f) Cooperate with and avail itself of the facilities of the ~~department of economic development~~ *commissioner of energy, planning and development* and any similar governmental agencies; and to cooperate with and assist, and otherwise encourage, local organizations in the various communities of the state the purpose of which shall be the promotion, assistance, and development of the business prosperity and economic welfare of such communities and of this state.

Sec. 197. Minnesota Statutes 1980, Section 301.77, Subdivision 1, is amended to read:

Subdivision 1. All the corporate powers of the corporation shall be exercised

by a board of not less than eight elected directors (but the number of elected directors shall always be an even number) who shall be residents of Minnesota and, except in the case of the first board, representative of the various sections of the state as determined in the bylaws. The commissioner of ~~the department of economic development~~ *energy, planning and development* shall be, ex officio, a director with all the authority but without the liability as such, except for gross negligence or wilful misconduct. The number of directors and their term of office shall be determined in the bylaws. If any vacancy occurs in the board of directors through death, resignation, or otherwise, the remaining directors may elect a person to fill the vacancy until the next annual meeting of the corporation.

Sec. 198. Minnesota Statutes 1980, Section 301A.01, Subdivision 1, is amended to read:

Subdivision 1. For the purposes of sections 301A.01 to 301A.14, the commissioner of ~~the department of economic development~~ *energy, planning and development* of the state shall divide the state into six tourist regions and shall keep on file in his office and in the office of the secretary of state the legal descriptions and a map of ~~such~~ *the* regions.

Sec. 199. Minnesota Statutes 1980, Section 301A.05, is amended to read:

301A.05 [ADDITIONAL POWERS.]

In addition to the powers enumerated in section 300.08, subdivision 1, the corporation may:

(1) Borrow money and otherwise incur indebtedness for any of the purposes of the corporation; to issue its bonds, debentures, notes or other evidences of indebtedness, whether secured or unsecured, therefor and to secure the same by mortgages, pledges, deeds of trust or other lien on its property, franchises, and privileges of every kind and nature or any part thereof.

(2) Lend money to, and to guarantee, endorse, or act as surety on the bonds, notes, contracts or other obligations of, or otherwise assist financially, any person, firm, corporation or association, and to establish and regulate the terms and conditions with respect to any such loans or financial assistance and the charges for interest and service connected therewith; to make working capital loans, take equity positions in corporations, and take second or third position mortgages.

(3) Purchase, receive, hold, lease, or otherwise acquire, and to sell, convey, mortgage, lease, pledge, or otherwise dispose of, upon such terms and conditions as the board of directors may deem advisable, real and personal property, together with such rights and privileges as may be incidental and appurtenant thereto and the use thereof, including, but not restricted to, any real property or personal property acquired by the corporation from time to time in the satisfaction of debts or enforcement of obligations.

(4) Acquire, by purchase or otherwise, the good will, business, rights, real and personal property and other assets, or any part thereof, of such persons, firms, corporations, joint stock companies, associations of trust as may be in furtherance of the corporate purposes provided herein, and to assume, undertake, guarantee or pay the obligations, debts, and liabilities of any such person, firm, corporation, joint stock company, association, or trust; to acquire im-

proved or unimproved real estate for the purpose of constructing tourist or recreational business establishments thereon or for the purpose of disposing of such real estate to others for the construction of tourist or recreational business establishments, and, in furtherance of the corporate purposes provided herein, to acquire, construct, or reconstruct, alter, repair, maintain, operate, sell, lease, or otherwise dispose of tourist or recreational business establishments.

(5) Acquire, subscribe for, own, hold, sell, assign, transfer, mortgage, pledge or otherwise dispose of the stock, shares, bonds, debentures, notes or other securities and evidences of interest in, or indebtedness of, any person, firm, corporation, joint stock company, association or trust, and, while the owner or holder thereof, to exercise all the rights, powers, and privileges of ownership, including the right to vote thereon.

(6) Cooperate with and avail itself of the facilities of the ~~department of economic development~~ *commissioner of energy, planning and development* and any similar government agencies; and to cooperate and avail itself of the facilities of planning and development agencies in the regions, which agencies shall be named in the bylaws as the agencies designated for the region of incorporation; cooperate with and assist and encourage local organizations in the various communities of the state, the purpose of which shall be the promotion, assistance, and development of the tourist and recreational business prosperity and economic welfare of ~~such~~ *those* communities of the state.

Sec. 200. Minnesota Statutes 1980, Section 301A.07, Subdivision 1, is amended to read:

Subdivision 1. All the corporate powers of the corporation shall be exercised by a board of not less than nine elected directors who shall be residents of Minnesota. One-third of the directors shall be elected from persons who are actively engaged in the vacation travel industry in the region of incorporation. The remaining number of directors shall be elected from persons representative of and involved in any of the lending institutions which are nonstockholder members of the corporation. The commissioner of ~~the department of economic development of the state~~ *energy, planning and development* or his designated representative and the director or chairman of the regional development or planning agency as designated in the bylaws, or his designated representative, shall be ex officio directors, with all the authority but without the liability as ~~such~~ *directors*, except for gross negligence or willful misconduct. The number of directors and their terms of office shall be determined by the bylaws. If a vacancy occurs in the board of directors through death, resignation, or otherwise, the remaining directors may elect a person to fill the vacancy until the next annual meeting of the corporation.

Sec. 201. Minnesota Statutes 1980, Section 325F.19, Subdivision 3, is amended to read:

Subd. 3. "~~Energy agency Commissioner~~" means the ~~Minnesota energy agency as provided in chapter 416H~~ *commissioner of energy, planning and development*.

Sec. 202. Minnesota Statutes 1980, Section 325F.19, Subdivision 6, is amended to read:

Subd. 6. "Laboratory qualified to test thermal insulation" means an approved laboratory classified by the ~~energy agency~~ *commissioner* in consulta-

tion with industry members as passing an appropriate examination of ability to perform tests and continuing inspection or follow-up service according to specifications for manufacture and installation, also referred to as "testing laboratory".

Sec. 203. Minnesota Statutes 1980, Section 325F.20, Subdivision 1, is amended to read:

Subdivision 1. ~~Within nine months of April 6, 1978, The energy agency commissioner shall promulgate adopt~~ rules pursuant to chapter 15 regarding quality, information, and product safety specifications for the manufacture, labeling, installation, and thermographing of insulation. The specifications and any amendments to them shall conform as far as is practical to federal standards or other standards generally accepted and in use throughout the United States. ~~Such~~ The standards, with modifications as may be deemed necessary, may be adopted by reference. The specifications ~~as promulgated adopted~~ and any amendments shall be based on the application of scientific principles, approved tests, and professional judgment. ~~Upon April 6, 1978, the energy agency may issue temporary rules pursuant to section 15.0412, subdivision 5, for the purposes of this section.~~

Sec. 204. Minnesota Statutes 1980, Section 325F.21, Subdivision 2, is amended to read:

Subd. 2. The ~~director of the energy agency commissioner~~ shall purchase from time to time unopened insulation packages which shall be sent to an approved testing laboratory to test for compliance with the specifications established under section 325F.20, subdivision 1.

Sec. 205. Minnesota Statutes 1980, Section 325F.23, Subdivision 1, is amended to read:

Subdivision 1. The outside of all containers and wrappings of insulation used or offered for sale in Minnesota shall have the following information printed legibly thereon in bold type not less than one-eighth inch high:

(a) Type (pneumatic or blown, pouring, batt, roll, blanket, board, cellular, or reflective);

(b) R value (to the nearest tenth) per inch at the recommended installation density;

(c) Required thickness in inches to obtain four or more commonly used R values and the corresponding coverage areas in square feet of the insulation in the container or wrapping;

(d) Expiration date and expected shelf life of all resins, catalysts, and foaming agents for all foam insulations, whether in powder, diluted or partially diluted state, on canister, drum, container, or package. For purposes of this section, "foam insulation" means products having an organic base or composed of vinyl or plastic material or both, which are manufactured or installed using a process involving a foaming agent, a resin, a catalyst and an air compressor, including but not limited to urea-formaldehyde, other urea-based foams, urethane foam, polyurethane foam, polystyrene foam, and isocyanurate foam.

(e) Name and address of the manufacturer of the insulation;

(f) A notation of those current specifications of the United States General Services Administration, the United States Department of Energy, the United States Department of Housing and Urban Development, the United States Consumer Product Safety Commission, the Federal Trade Commission and the *energy agency commissioner* with which the insulation complies;

(g) The net weight of the contents of the bag, package, or container.

Sec. 206. Minnesota Statutes 1980, Section 325F.24, Subdivision 3a, is amended to read:

Subd. 3a. Rules promulgated by the ~~director of the energy agency commissioner~~ pursuant to sections 325F.20, subdivision 1, and 325F.21, subdivision 1 may be enforced by the ~~director of the energy agency commissioner~~ pursuant to section 116H.15.

Sec. 207. Minnesota Statutes 1980, Section 362.12, Subdivision 1, is amended to read:

362.12 [~~SCOPE OF DEPARTMENTAL~~ POWERS AND DUTIES.]

Subdivision 1. [~~ENUMERATION.~~] The ~~department~~ commissioner shall:

(1) Investigate, study, and undertake ways and means of promoting and encouraging the prosperous development and protection of the legitimate interest and welfare of Minnesota business, industry, and commerce, within and outside the state;

(2) Locate markets for manufacturers and processors and aid merchants in locating and contacting markets;

(3) Investigate and study conditions affecting Minnesota business, industry, and commerce and collect and disseminate information, and engage in technical studies, scientific investigations, and statistical research and educational activities necessary or useful for the proper execution of the powers and duties of the ~~department~~ commissioner in promoting and developing Minnesota business, industry, and commerce, both within and outside the state;

(4) Plan and develop an effective business information service both for the direct assistance of business and industry of the state and for the encouragement of business and industry outside the state to use economic facilities within the state;

(5) Compile, collect, and develop periodically, or otherwise make available, information relating to current business conditions;

(6) Conduct or encourage research designed to further new and more extensive uses of the natural and other resources of the state and designed to develop new products and industrial processes;

(7) Study trends and developments in the industries of the state and analyze the reasons underlying ~~such~~ the trends; study costs and other factors affecting successful operation of businesses within the state; and make recommendations regarding circumstances promoting or hampering business and industrial development;

(8) Serve as a clearing house for business and industrial problems of the state; and advise small business enterprises regarding improved methods of accounting and bookkeeping;

(9) Encourage and develop commerce with other states and foreign countries and devise ways and means of removing trade barriers hampering the free flow of commerce between this and other states;

(10) Cooperate with interstate commissions engaged in formulating and promoting the adoption of interstate compacts and agreements helpful to business, industry, and commerce;

(11) Cooperate with other state departments, and with boards, commissions, and other state agencies, in the preparation and coordination of plans and policies for the development of the state and for the use and conservation of its resources insofar as ~~such the~~ use, conservation, and development may be appropriately directed or influenced by a state agency;

(12) Assemble and coordinate information relative to the status, scope, cost, and employment possibilities and the availability of materials, equipment, and labor in connection with public works projects, state, county, and municipal; recommend limitations on ~~said the~~ public works; gather current progress information with reference to public and private works projects of the state and its political subdivisions with reference to conditions of employment; inquire into and report to the governor, when requested by him, with respect to any program of public state improvements and the financing thereof; and request and obtain information from other state departments or agencies as may be needed properly to report thereon;

(13) Study changes in population and current trends and prepare plans and suggest policies for the development and conservation of the resources of the state;

(14) Confer and cooperate with the executive, legislative, or planning authorities of the United States and neighboring states and of the counties and municipalities of such neighboring states, for the purpose of bringing about a coordination between the development of such neighboring states, counties, and municipalities and the development of this state;

(15) Generally, gather, compile, and make available statistical information relating to business, trade, commerce, industry, transportation, communication, natural resources, and other like subjects in this state, with authority to call upon other departments of the state for statistical data and results obtained by them and to arrange and compile that statistical information in ~~such a~~ manner ~~as may seem that seems~~ wise.

Sec. 208. Minnesota Statutes 1980, Section 362.13 is amended to read:

362.13 [ADDITIONAL POWERS AND DUTIES.]

The ~~department~~ commissioner shall:

(1) Have control of the work of carrying on a continuous program of education for businessmen;

(2) Publish, disseminate, and distribute information and statistics ~~acquired by the division of research and statistics in cooperation with that division~~;

(3) Promote and encourage the expansion and development of markets for Minnesota products;

(4) Promote and encourage the location and development of new business in

the state as well as the maintenance and expansion of existing business and for that purpose cooperate with state and local agencies and individuals, both within and outside the state;

(5) Advertise and disseminate information as to natural resources, desirable locations, and other advantages for the purpose of attracting business to locate in this state;

(6) Aid the various communities in this state in getting business to locate therein;

(7) Advise and cooperate with municipal, county, regional, and other planning agencies and planning groups within the state for the purpose of promoting coordination between the state and localities as to plans and development in order to maintain a high level of gainful employment in private profitable production and achieve commensurate advancement in social and cultural welfare; coordinate the activities of state-wide and local planning agencies, correlate information secured from them and from state departments and disseminate information and suggestions to ~~such~~ the planning agencies; and encourage and assist in the organization and functioning of local planning agencies where none exist; and may provide at the request of any governmental subdivision hereinafter mentioned planning assistance, which includes but is not limited to surveys, land use studies, urban renewal plans, technical services and other planning work to any city or other municipality in the state or perform similar planning work in any county, metropolitan or regional area in the state ~~providing that the department of business development~~. *The commissioner shall not perform such the planning work with respect to a metropolitan or regional area which is under the jurisdiction for such planning purposes of a county, metropolitan, regional or joint planning body, except at the request or with the consent of the respective county, metropolitan, regional or joint planning body. The department commissioner is authorized to receive and expend funds money from municipal, county, regional and other planning agencies; and may accept and disburse grants and other aids for planning purposes from the federal government and from other public or private sources, and may utilize moneys so received for the employment of consultants and other temporary personnel to assist in the supervision or performance of planning work supported by funds money other than state appropriated funds money, and may enter into such contracts with agencies of the federal government, units of local government or combinations thereof, and with private persons as that are necessary in the performance of its the planning assistance function of the commissioner.* In furtherance of their planning functions, any city or town, however organized, may expend funds money and contract with agencies of the federal government, appropriate departments of state government, other local units of government and with private persons;

(8) Adopt ~~such~~ measures as may best be calculated to promote public interest in and understanding of the problems of planning and, to that end, may publish and distribute copies of any plan or any report and may employ ~~such~~ other means of publicity and education as ~~shall~~ that will give full effect to the provisions of sections 362.07 to 362.23;

(9) ~~Perform the functions and carry out programs heretofore performed and carried out by the tourist bureau of the department of natural resources;~~ Plan and conduct programs of information and publicity designed to attract tourists,

visitors, and other interested persons from outside the state to this state, and in that connection encourage and coordinate the efforts of other public and private organizations or groups of citizens to publicize the facilities and attractions of the state and work with representatives of the tourist and resort industry in carrying out its programs.

Sec. 209. Minnesota Statutes 1980, Section 362.132, is amended to read:

362.132 [SMALL BUSINESS FINANCE AGENCY.]

The commissioner of ~~economic development~~ may enter into agreements or transactions with the small business finance agency created under section 362.51 to perform any or all administrative tasks in connection with the exercise and implementation of the powers and programs of the small business finance agency.

Sec. 210. Minnesota Statutes 1980, Section 362.40, Subdivision 8, is amended to read:

Subd. 8. The remaining 20 percent of the tax revenue received by the county auditor under section 273.13, subdivision 2a shall be remitted by the county auditor to the state treasurer and shall be deposited in the ~~general fund~~ in special accounts identified as "reservation residents loan accounts" and a "nonreservation residents loan account". The amount to be credited to each reservation residents loan account shall be that percentage of the amount received from all the counties pursuant to subdivision 8 as the number of Indians living on such reservation bears to all the Indians in Minnesota, as said percentage is determined by the ~~department of economic development~~ commissioner. The amount remaining shall be credited to the nonreservation residents loan account. The amounts credited to each of these special accounts shall be used solely for making loans to Indians, in the manner provided by subdivisions 9 and 10.

Sec. 211. Minnesota Statutes 1980, Section 362.40, Subdivision 9, is amended to read:

Subd. 9. A reservation resident desiring a loan for the purpose of starting a business enterprise, expanding an existing business, or for technical and management assistance, shall make application to the ~~state department of economic development~~ commissioner. The ~~department~~ commissioner shall prescribe the necessary forms and advise the prospective borrower as to the conditions under which his application may be expected to receive favorable consideration. The tribal council shall recommend to the ~~department~~ commissioner that the loan be accepted or rejected. The ~~department~~ commissioner shall approve or reject the application taking the tribal council recommendation into consideration. If the application is approved, the ~~department~~ commissioner shall forward the application, together with all relevant documents pertinent thereto, to the commissioner of finance, who shall draw his warrant in favor of the tribal council with appropriate notations identifying the borrower. The tribal council shall thereafter reimburse suppliers and vendors for purchases of equipment, real estate and inventory made by the borrower pursuant to the conditions or guidelines established by the ~~state department of economic development~~ commissioner. The tribal council shall maintain records of transactions for each borrower in a manner consistent with good accounting practice. Simple interest at two percent of the amount of the debt owed shall be charged. When any portion of a

debt is repaid, the tribal council shall remit the amount so received plus interest paid thereon to the state treasurer through the ~~department of economic development~~ *commissioner*. The amount so received shall be credited to ~~such the~~ reservation residents loan account. The tribal council shall secure a fidelity bond from a surety company, in favor of the state treasurer, in an amount equal to the maximum amount to the credit of such reservation residents loan account during the fiscal year. Additional money equal to ten percent of the total amount made available to any tribal council during the fiscal year shall be paid to ~~such the~~ council prior to December 31 for the purpose of financing administrative costs.

Sec. 212. Minnesota Statutes 1980, Section 362.40, Subdivision 10, is amended to read:

Subd. 10. A nonreservation resident desiring to make a loan for the purpose of starting a business enterprise, or expanding an existing business, or for technical and management assistance shall make application to the ~~state department of economic development~~ *commissioner*, on forms prescribed by the ~~department~~ *commissioner*. The ~~department~~ *commissioner* is empowered to either accept or reject the application, based upon guidelines and conditions essentially similar to those used for the purpose of approving or rejecting reservation loans under subdivision 9. If the application is approved by the ~~state department of economic development~~ *commissioner*, the ~~department~~ *commissioner* shall forward the application, together with all the relevant documents pertinent thereto, to the commissioner of finance, who shall draw his warrant in favor of the commissioner of ~~economic development~~, with appropriate notations identifying the borrower. The ~~department of economic development~~ *commissioner* shall thereafter reimburse suppliers and vendors for purchases of equipment, real estate and inventory made by the borrower pursuant to the conditions or guidelines established by the ~~department~~ *commissioner*. The ~~department of economic development~~ *commissioner* shall maintain records of transactions for each borrower in a manner consistent with good accounting practice. Simple interest at two percent shall be charged. When any portion of a debt is repaid, the ~~department of economic development~~ *commissioner* shall remit the amount so received plus interest paid thereon to the state treasurer. The amount so received shall be credited to the nonreservation residents loan account.

Sec. 213. Minnesota Statutes 1980, Section 362.41, Subdivision 5, is amended to read:

Subd. 5. The commissioner of ~~economic development~~ shall administer this section and shall enforce the rules related to the community development corporations promulgated by the commissioner. The commissioner may amend, suspend, repeal or otherwise modify these rules as provided for in chapter 15.

Sec. 214. Minnesota Statutes 1980, Section 362.42, is amended to read:

362.42 [BUSINESS ASSISTANCE.]

The commissioner of ~~economic development~~ shall establish within the department a business assistance center. The center shall consist of (1) a bureau of small business which shall have as its sole function the provision of assistance to small businesses in the state and (2) a bureau of licenses to assist all busi-

nesses in obtaining state licenses and permits. This center shall be accorded at least equal status with the other major operating units within the department.

Sec. 215. Minnesota Statutes 1980, Section 362.51, Subdivision 8, is amended to read:

Subd. 8. The members and governing body of the agency shall be the commissioner of ~~economic development~~ and six other members holding no other elective or appointive office of the state or any local government, appointed by the governor with advice and consent of the senate. The commissioner shall be vice chairman, and the governor shall designate the chairman from among the other members, to serve as chairman at the pleasure of the governor. Section 15.0575, governs the terms, compensation, removal and filling of vacancies in the offices of members other than the commissioner.

Sec. 216. Minnesota Statutes 1980, Section 362.51, Subdivision 10, is amended to read:

Subd. 10. The commissioner of ~~economic development~~ shall designate an ~~assistant commissioner~~ *employee* as executive director of the agency and may appoint permanent and temporary employees necessary for the administration of the agency. The governing body of the agency may enter into agreements under which the department will provide administrative support for the agency.

Sec. 217. Minnesota Statutes 1980, Section 362A.06, is amended to read:

362A.06 [APPROVAL BY COMMISSIONER OF ~~ECONOMIC DEVELOPMENT~~ ENERGY, PLANNING AND DEVELOPMENT.]

Any authority contemplating the exercise of the powers granted by sections 362A.01 to 362A.08 may apply to the commissioner of ~~economic development~~ *energy, planning and development* for information, advice, and assistance. No authority shall undertake any project herein authorized until the commissioner has approved the project, on the basis of ~~such~~ preliminary information as he may require, as tending to further the purposes and policies of sections 362A.01 to 362A.08. The commissioner is authorized to handle ~~such~~ the preliminary information in a confidential manner, to the extent requested by the authority. ~~Such~~ Approval shall not be deemed to be an approval by the commissioner or the state of the feasibility of the project or the terms of the lease to be executed or the bonds to be issued therefor, and the commissioner shall so state in communicating ~~such~~ the approval.

Sec. 218. Minnesota Statutes 1980, Section 402.045, is amended to read:

402.045 [FUNCTION OF STATE ~~PLANNING OFFICER~~ COMMISSIONER OF ENERGY, PLANNING AND DEVELOPMENT.]

The ~~state planning officer~~ *commissioner of energy, planning and development* shall have authority for human services development. He may appoint professional and clerical staff as he deems necessary. The ~~state planning officer~~ *commissioner of energy, planning and development* shall:

(1) Support the development of human services boards and provide technical assistance to the boards;

(2) Disburse and monitor grants as may be available to assist human services board development;

- (3) Receive and coordinate the review of annual human services board plans;
- (4) Cooperate with other state agencies in assisting local human services integration projects; and
- (5) Maintain a file on reports, policies and documents pertaining to human services boards.

Sec. 219. Minnesota Statutes 1980, Section 402.062, Subdivision 1, is amended to read:

Subdivision 1. The human services board, with the assistance of the advisory committee established in section 402.03, shall annually prepare a single plan and budget for the development, implementation, coordination and operation of services delivered or funded by the human services board. The plan shall be in a format developed by rule of the ~~state planning agency commissioner of energy, planning and development~~. Each affected state agency shall accept the plan of the human services board in lieu of separate plan requirements for individual programs. To support the development of the budget and to provide standardized information to affected state agencies, each human services board shall adopt a standard chart of accounts to be developed by rule by the commissioner of public welfare with the approval of the commissioners of health and corrections.

Sec. 220. Minnesota Statutes 1980, Section 402.095, is amended to read:

402.095 [REPORTS TO LEGISLATURE.]

The ~~state planning agency commissioner of energy, planning and development~~ shall report to the legislature biennially not later than January 15 of odd numbered years on the experience of human services boards. The report shall include an assessment of the effect of establishment of human services boards on the cost and quality of services provided.

Sec. 221. Minnesota Statutes 1980, Section 451.09, Subdivision 2, is amended to read:

Subd. 2. A public utilities board or commission operating a steam heat system in a home rule charter city shall inform the ~~energy agency commissioner of energy, planning and development~~ of its plans to discontinue operation at least two years prior to the intended date of discontinuance of operation. ~~If the public utilities board or commission decides to discontinue operation of the steam heat system prior to July 1, 1981, it shall notify the director of the energy agency within 60 days of its decision.~~

Sec. 222. Minnesota Statutes 1980, Section 453.52, Subdivision 3, is amended to read:

Subd. 3. "City" means a city organized and existing under the laws of Minnesota or a city charter adopted pursuant thereto, and authorized by such laws or charter to engage in the local distribution and sale of electric energy; provided that any city so engaged on January 1, 1976, is authorized to continue such distribution and sale, and every city now or hereafter so authorized may exercise, either individually or as a member of a municipal power agency, all of the powers granted in sections 453.51 to 453.62. *"City" also includes a city organized and existing under the laws of another state or a city charter adopted pursuant thereto that participates in a municipal power agency with Minnesota*

cities and pays a full pro rata share of the expenses of the agency.

Sec. 223. Minnesota Statutes 1980, Section 462.375, is amended to read:

462.375 [REGIONAL DEVELOPMENT PLAN; FILING AND DISTRIBUTION.]

The regional planning agency shall transmit the regional development plan and any revisions thereto, ~~to any state planning agency that may exist, otherwise to the department of economic development commissioner of energy, planning and development,~~ the governing bodies of cooperating governmental units, and to planning agencies in contiguous areas. The agency may prepare additional copies of the plan for general distribution or sale.

Sec. 224. Minnesota Statutes 1980, Section 462.384, Subdivision 7, is amended to read:

Subd. 7. ~~"State planning officer"~~ *"Commissioner"* means the ~~governor of the state of Minnesota commissioner of energy, planning and development~~ exercising the authority conferred upon him by sections 4.10 to 4.17.

Sec. 225. Minnesota Statutes 1980, Section 462.385, Subdivision 1, is amended to read:

Subdivision 1. Development regions for the state shall be those regions so designated by the governor by executive order. The order shall provide for public hearings within each proposed region after which any county may request assignment to a region other than that proposed by the order. If such a request for reassignment is unacceptable to the ~~state planning officer commissioner~~, the county shall remain in the originally designated region until the next session of the legislature for its review and final assignment.

Sec. 226. Minnesota Statutes 1980, Section 462.385, Subdivision 3, is amended to read:

Subd. 3. The ~~state planning agency commissioner~~ shall conduct continuous studies and analysis of the boundaries of regions and shall make recommendations for their modification where necessary. Modification may be initiated by a county, a commission, or by the ~~state planning officer commissioner~~ and will be accomplished in accordance with this section as in the case of initial designation.

Sec. 227. Minnesota Statutes 1980, Section 462.386, Subdivision 1, is amended to read:

Subdivision 1. ~~On June 1, 1969,~~ All coordination, planning, and development regions assisted or created by the state of Minnesota or pursuant to federal legislation shall conform to the regions designated by the executive order except where, after review and approval by the ~~state planning officer commissioner~~, nonconformance is clearly justified. The ~~state planning officer commissioner~~ shall develop working agreements with state and federal departments and agencies to insure conformance with this subdivision.

Sec. 228. Minnesota Statutes 1980, Section 462.387, is amended to read:

462.387 [REGIONAL DEVELOPMENT COMMISSIONS; ESTABLISHMENT.]

Subdivision 1. [PETITION.] Any combination of counties or municipalities

representing a majority of the population of the region for which a commission is proposed may petition the ~~state planning officer~~ *commissioner* by formal resolution setting forth its desire to establish, and the need for, the establishment of a regional development commission. For purposes of this section the population of a county does not include the population of a municipality within the county.

Subd. 3. [ESTABLISHMENT.] Upon receipt of a petition as provided in subdivision 1 a regional development commission shall be established by the ~~state planning officer~~ *commissioner* and the notification of all local government units within the region for which the commission is proposed. ~~Such~~ *The* notification shall be made within 60 days of his receipt of a petition under subdivision 1.

Subd. 4. [SELECTION OF MEMBERSHIP.] The ~~state planning officer~~ *commissioner* shall call together each of the membership classifications except citizen groups, defined in section 462.388, within 60 days of the establishment of a regional development commission for the purpose of selecting the commission membership.

Sec. 229. Minnesota Statutes 1980, Section 462.39, Subdivision 2, is amended to read:

Subd. 2. [FEDERAL PROGRAMS.] The commission is the authorized agency to receive state and federal grants for regional purposes from the following programs:

(1) Section 403 of the Public Works and Economic Development Act of 1965 (economic development districts);

(2) Section 701 of the Housing Act of 1954, as amended (multi-county comprehensive planning);

(3) Omnibus Crime Control Act of 1968;

and for the following to the extent feasible as determined by the governor:

(a) Economic Opportunity Act of 1964;

(b) Comprehensive Health Planning Act of 1965;

(c) Federal regional manpower planning programs;

(d) Resource, conservation, and development districts; or

(e) Any state and federal programs providing funds for multi-county planning, coordination, and development purposes. The ~~state planning officer~~ *commissioner* shall, where consistent with state and federal statutes and regulations, review applications for all state and federal regional planning and development grants to a commission.

Sec. 230. Minnesota Statutes 1980, Section 462.39, Subdivision 3, is amended to read:

Subd. 3. [PLANNING.] The commission shall prepare and adopt, after appropriate study and such public hearings as may be necessary, a comprehensive development plan for the region. The plan shall consist of a compilation of policy statements, goals, standards, programs, and maps prescribing guides for an orderly and economic development, public and private, of the region. The

comprehensive development plan shall recognize and encompass physical, social, or economic needs of the region, and those future developments which will have an impact on the entire region including but not limited to such matters as land use, parks and open space land needs, access to direct sunlight for solar energy systems, the necessity for and location of airports, highways, transit facilities, public hospitals, libraries, schools, public and private, housing, and other public buildings. In preparing the development plan the commission shall use to the maximum extent feasible the resources studies and data available from other planning agencies within the region, including counties, municipalities, special districts, and subregional planning agencies, and it shall utilize the resources of the ~~state planning agency commissioner~~ to the same purpose. No development plan or portion thereof for the region shall be adopted by the commission until it has been submitted to the ~~state planning agency commissioner~~ for review and comment and a period of 60 days has elapsed after such submission. When a development plan has been adopted, the commission shall distribute it to all local government units within the region.

Sec. 231. Minnesota Statutes 1980, Section 462.391, Subdivision 2, is amended to read:

Subd. 2. [REVIEW OF INDEPENDENT AGENCIES.] The commission shall review all long term comprehensive plans of each independent commission, board, or agency prepared for its operation and development within the region but only if ~~such the~~ plan is determined by the commission to have a regional effect, a multi-community effect, or to have a substantial effect on regional development. Each plan shall be submitted to the commission before any action is taken to place the plan or any part thereof, into effect. No action shall be taken to place any plan or any part thereof into effect until 60 days have elapsed after the date of its submission to the commission or until the commission finds and notifies the submitting commission, board, or agency that the plan is consistent with its development plan for the region and the orderly and economic development of the region, whichever first occurs. If, within 60 days after the date of submission, the commission finds that a plan, or any part thereof, is inconsistent with its comprehensive plan for the region or detrimental to the orderly and economic development of the region, or any part thereof, ~~such the~~ plan shall be indefinitely suspended. An affected independent commission, board, or agency may appeal the decision of the commission suspending a plan, or part thereof, to the commission, and if the commission and the affected independent commission, board, or agency are unable to agree as to an adjustment of the plan, so that it may receive the commission's approval, then a record of the disagreeing positions shall be made and presented for consideration and disposition by the ~~state planning officer commissioner~~.

Sec. 232. Minnesota Statutes 1980, Section 462.391, Subdivision 3, is amended to read:

Subd. 3. [REVIEW OF FEDERAL AND STATE AID PROGRAMS.] The commission shall review all applications of governmental units, independent commissions, boards, or agencies operating in the region for a loan or grant from the United States of America or any agency, including state agencies and colleges or universities, for public facilities, studies, or any other purpose if the application clearly is related to the region, whether or not ~~such the~~ review is required by the federal government. The review shall advise the granting

authority as to relationship of the application to the comprehensive plans and priorities of the region as established by the region. All review actions together with copies of applications shall be submitted on a regular basis for informational purposes to the ~~state planning agency commissioner~~. The requirements of this subdivision do not apply to applications of governmental units or other political subdivisions which have been reviewed by a subregion or subdistrict which has been designated by the United States government as an authorized areawide review agency under Section 204 of the Demonstration Cities and Metropolitan Development Act of 1966. All review actions, together with copies of applications, shall be submitted by the subregion on a regular basis to the commission for informational purposes.

Sec. 233. Minnesota Statutes 1980, Section 462.391, Subdivision 4, is amended to read:

Subd. 4. [REVIEW PROCEDURES.] The commission shall develop, in consultation with the ~~state planning officer commissioner~~, formal procedures for the review of plans, applications, and other matters required to be submitted to it by sections 462.381 to 462.396. ~~Such~~ The procedures shall be embodied in a formal resolution adopted after public hearing. After adoption the resolution shall be transmitted to each governmental unit and independent agency, board, or commission within the region.

Sec. 234. Minnesota Statutes 1980, Section 462.395, is amended to read:

462.395 [DUTIES OF STATE AGENCIES, ~~STATE PLANNING AGENCY.~~]

All state departments and agencies shall cooperate with regional development commissions established under sections 462.381 to 462.396 and shall make available to them studies, reports, data, and other informational and technical assistance within financial and personnel limitations. The ~~state planning agency and the office of local and urban affairs commissioner~~ shall coordinate the state's assistance programs to regional planning and development commissions.

Sec. 235. Minnesota Statutes 1980, Section 462.396, Subdivision 1, is amended to read:

Subdivision 1. The ~~state planning officer commissioner~~ shall determine the amount of and make grants to any commission created under sections 462.381 to 462.396 from appropriations made available for ~~such those~~ purposes, provided a work program is submitted acceptable to the ~~state planning officer commissioner~~. Any regional commission may levy a tax on all taxable property in the region to provide ~~funds money~~ for the purposes of sections 462.381 to 462.396.

Sec. 236. Minnesota Statutes 1980, Section 462.398, is amended to read:

462.398 [TERMINATION OF COMMISSION.]

Subdivision 1. Any combination of counties or municipalities representing a majority of the population of the region for which a commission exists may petition the ~~state planning officer commissioner~~ by formal resolution stating that the existence of the commission is no longer in the public welfare and interest and is not needed to accomplish the purposes of the regional development act of 1969. For purposes of this section the population of a county does

not include the population of a municipality within the county. Any formal resolution adopted by the governing body of a county or municipality for the termination of a commission shall be effective for a period of one year for the purpose of determining the requisite population of the region needed to petition the ~~state planning officer commissioner~~.

Subd. 2. Within 35 days of the receipt of the petition, the ~~state planning officer commissioner~~ shall fix a time and place within the region for a hearing. The ~~state planning officer commissioner~~ shall give notice of the hearing by publication once each week for two successive weeks before the date of the hearing in a legal newspaper in each of the counties which the commission represents. The hearing shall be conducted by members of the commission. If the commission determines that the existence of the commission is no longer in the public welfare and interest and that it is not needed to accomplish the purposes of the regional development act of 1969, the commission shall recommend to the ~~state planning officer commissioner~~ that ~~he the commissioner~~ terminate the commission. Within 60 days after receipt of the recommendation, the ~~state planning officer commissioner~~ shall terminate the commission by giving notice of the termination to all government units within the region for which the commission was established. Unless otherwise provided by this subdivision, the hearing shall be in accordance with sections 15.0411 to 15.0426.

Subd. 3. The ~~state planning officer commissioner~~ shall not accept a petition for termination more than once in 30 months for each regional development commission.

Sec. 237. Minnesota Statutes 1980, Section 462.421, Subdivision 21, is amended to read:

Subd. 21. "The commission" means the ~~state housing commission commissioner of energy, planning and development~~.

Sec. 238. Minnesota Statutes 1980, Section 462A.05, Subdivision 15b, is amended to read:

Subd. 15b. It may make grants to assist in energy conservation rehabilitation measures for existing owner occupied housing including, but not limited to: insulation, storm windows and doors, furnace or space heater repair, cleaning or replacement, chimney construction or improvement, weatherstripping and caulking, and structural or other directly related repairs essential for energy conservation. The grant to any household shall not exceed \$2,000.

To be eligible for an emergency energy conservation grant, a household must be certified as eligible to receive emergency residential heating assistance under either the federal or the state program, and either (1) have had a heating cost for the preceding heating season that exceeded 120 percent of the regional average for the preceding heating season for that energy source as determined by the ~~energy agency commissioner of energy, planning and development~~, or (2) be eligible to receive a federal energy conservation grant, but be precluded from receiving the grant because of a need for directly related repairs that cannot be paid for under the federal program. The housing finance agency shall make a reasonable effort to determine whether other state or federal loan and grant programs are available and adequate to finance the intended improvements. An emergency energy conservation grant may be made in conjunction

with grants or loans from other state or federal programs that finance other needed rehabilitation work. The receipt of a grant pursuant to this section shall not affect the applicant's eligibility for other housing finance agency loan or grant programs.

~~Temporary rules to implement this subdivision may be promulgated and amended pursuant to chapter 15. The temporary rules may remain in effect until July 1, 1981.~~

Sec. 239. Minnesota Statutes 1980, Section 473.204, Subdivision 2, is amended to read:

Subd. 2. In preparation of these standards, criteria and model ordinances, described in subdivision 1, clauses (a), (b), (d), (f), (g) and (i) and in order to assure consistency with regulations, standards, criteria and model ordinances promulgated by other state agencies, the metropolitan council shall seek the assistance and approval of the department of natural resources; in preparation of these standards, criteria and model ordinances, described in subdivision 1, clauses (c) and (e), the metropolitan council shall seek the assistance and approval of the state soil and water conservation board; in preparation of these standards, criteria and model ordinances, described in subdivision 1, clause (h), the metropolitan council shall seek the assistance and approval of the department of agriculture. In addition, the metropolitan council shall, where appropriate, seek the assistance of the ~~state planning agency commissioner of energy, planning and development~~, the Minnesota pollution control agency, soil and water conservation districts, the University of Minnesota, the department of agriculture, and other appropriate agencies.

Sec. 240. Minnesota Statutes 1980, Section 473.411, Subdivision 1, is amended to read:

Subdivision 1. [DEVELOPMENT PROGRAM.] The commission shall prepare and submit in the manner provided in and satisfying the requirements of section 473.161, a transportation development program, providing for the implementation of the policy plan adopted by the council. In preparing the program, the commission shall consult with counties and municipalities in the metropolitan area, the state transportation department and the ~~state planning agency commissioner of energy, planning and development~~, and for that purpose may create ~~such~~ advisory committees as may be necessary.

~~Such~~ The program shall provide for coordination of routes and operations of all publicly and privately owned transportation facilities within the transit area to the end that combined efficient and rapid transportation may be provided for the use of the public in the entire area. The commission may designate a segment of the system planned as a pilot or demonstration transportation project using, without limitation, new technology including airborne systems, or traditional systems of evolved or modern form. The transportation development program shall include the general alignment and profile, approximate points of access, facility classification, approximate cost, relation to other existing and planned transportation routes and facilities, and a statement of the expected general effect on present and future use of the property within the corridor. The program shall be accompanied with a statement of need for the proposed construction or improvement, a description of alternate routes which were considered, and an explanation of the advantages and disadvantages in the selection of any route considered. The transportation development program

shall also contain a description of the type of right-of-way or routes required; the type of transit service to be provided in each portion of the system; designation of transit mode; and appropriate general operating criteria. The program shall also contain an operational improvement program which shall at least describe performance objectives and standards which the commission proposes to achieve in satisfying policies, purposes, and goals established by the legislature and the council; identify performance indicators by which to monitor and assess progress in achieving the objectives and standards; and establish a route deficit limit as provided in section 174.28, subdivision 5. The program may include such other information as the council or the commission deems necessary.

Sec. 241. Minnesota Statutes 1980, Section 473.857, Subdivision 2, is amended to read:

Subd. 2. A hearing shall be conducted within 60 days after the request, provided that the committee shall consolidate hearings on related requests. The hearing shall not consider the need for or reasonableness of the metropolitan system plans or parts thereof. The hearing shall afford all interested persons an opportunity to testify and present evidence. The advisory committee or hearing examiner may employ the appropriate technical and professional services of the ~~state planning agency~~ *commissioner of energy, planning and development* for the purpose of evaluating disputes of fact. The proceedings shall not be deemed a contested case. Within 30 days after the hearing, the committee or hearing examiner shall report to the council respecting the proposed amendments to the system statements. The report shall contain findings of fact, conclusions, and recommendations and shall apportion the costs of the proceedings among the parties.

Sec. 242. Minnesota Statutes 1980, Section 473H.06, Subdivision 5, is amended to read:

Subd. 5. The metropolitan council shall maintain agricultural preserve maps, illustrating (a) certified long term agricultural lands; and (b) lands covenanted as agricultural preserves. The council shall make yearly reports to the ~~state planning agency~~ *commissioner of energy, planning and development* and such other agencies as the council deems appropriate.

Sec. 243. Minnesota Statutes 1980, Section 474.01, Subdivision 6, is amended to read:

Subd. 6. In order to further these purposes and policies the commissioner of ~~economic development~~ *energy, planning and development* shall investigate, shall assist and advise municipalities, and shall report to the governor and the legislature concerning the operation of this chapter and the projects undertaken hereunder, and shall have all of the powers and duties in connection therewith which are granted to him by chapter 362 with respect to other aspects of business development and research.

Sec. 244. Minnesota Statutes 1980, Section 474.01, Subdivision 7, is amended to read:

Subd. 7. Any municipality or redevelopment agency contemplating the exercise of the powers granted by this chapter may apply to the commissioner of ~~economic development~~ *energy, planning and development* for information, advice, and assistance. The commissioner is authorized to handle such prelimi-

nary information in a confidential manner, to the extent requested by the municipality.

Sec. 245. Minnesota Statutes 1980, Section 474.01, Subdivision 8, is amended to read:

Subd. 8. Each municipality and redevelopment agency upon entering into a revenue agreement, except one pertaining to a project referred to in section 474.02, subdivision 1f, shall furnish the ~~department of economic development~~ *commissioner of energy, planning and development* on the forms the ~~department~~ *commissioner* may prescribe the following information concerning the project: The name of the contracting party, the nature of the enterprise, the location, approximate number of employees, the general terms and nature of the revenue agreement, the amount of bonds or notes issued, and other information the ~~department~~ *commissioner* may deem advisable. The ~~department~~ *commissioner* shall keep a record of the information which shall be available to the public at times the ~~department~~ *commissioner* shall prescribe.

Sec. 246. Minnesota Statutes 1980, Section 641.24, is amended to read:

641.24 [LEASING.]

The county may, by resolution of the county board, enter into a lease agreement with any statutory or home rule charter city situated within the county, whereby the city will construct a county jail in accordance with plans approved by the commissioner of corrections and will finance it by the issuance of revenue bonds, and the county will lease the jail site and improvements for a term and upon rentals sufficient to produce revenue for the prompt payment of the bonds and all interest accruing thereon and, upon completion of payment, will acquire title thereto. The real and personal property acquired for the jail shall constitute a project and the lease agreement shall constitute a revenue agreement as contemplated in chapter 474, and all proceedings shall be taken by the city and the county in the manner and with the force and effect provided in chapter 474; provided that:

- (1) No tax shall be imposed upon or in lieu of a tax upon the property;
- (2) The approval of the project by the commissioner of securities and real estate shall not be required;
- (3) The department of corrections shall be furnished and shall record such information concerning each project as it may prescribe, in lieu of reports required on other projects to the ~~department of economic development~~ *commissioner of energy, planning and development*;
- (4) The rentals required to be paid under the lease agreement shall not exceed in any year four-tenths of one percent of the assessed value of property within the county, as last finally equalized before the execution of the agreement;
- (5) The county board shall provide for the payment of all rentals due during the term of the lease, in the manner required in section 641.264, subdivision 2; and
- (6) No mortgage on the jail property shall be granted for the security of the bonds, but compliance with clause (5) hereof may be enforced as a nondiscretionary duty of the county board.

Sec. 247. [REPEALER.]

Minnesota Statutes 1980, Sections 4.11, Subdivisions 1, 2, 3, 6, and 7; 4.15; 4.16; 16.014, Subdivision 3; 116H.001; 116H.02, Subdivisions 2 and 4; 116H.03; 116H.09, Subdivisions 2 and 3; 116H.12, Subdivision 3b; 126.52, Subdivision 12; 254A.06; 299A.03, Subdivisions 12, 13, and 14; 362.07; 362.08; 362.09; 362.10; 362.11; 362.12, Subdivisions 2 and 3; 362.15; 362.17; 362.18; 362.19; 362.23; 362.45, Subdivision 2; 462.711; and 473.571, Subdivisions 2, 3, and 4, are repealed. Minnesota Statutes 1980, Section 299A.03, Subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, and 11 are repealed, effective July 1, 1982.

Sec. 248. [INSTRUCTION TO REVISOR.]

In the next and subsequent editions of Minnesota Statutes, the revisor of statutes shall make the necessary changes in terminology to record the transfers of functions, powers, and duties that are provided by sections 64 to 247 from a department, agency, or board to the department of energy, planning and development, and shall renumber sections so as to place into one chapter substantially all of the sections dealing primarily with the powers and duties of the commissioner of energy, planning and development.

Sec. 249. [EFFECTIVE DATE.]

Section 136 is effective the day following final enactment; until the department of energy, planning and development begins operation, the powers granted in that section shall be exercised by the director of the Minnesota energy agency. Sections 64 and 67 are effective July 1, 1981. Sections 65 and 66, and 68 to 247 are effective when the commissioner of energy, planning and development notifies the commissioner of administration that the department of energy, planning and development is ready to begin operation, except that those sections relating to the transfer of Minnesota energy agency or the powers and duties of the director of the Minnesota energy agency are effective March 1, 1982.

OTHER AMENDATORY SECTIONS

Sec. 250. Minnesota Statutes 1980, Section 3.3005, Subdivision 3, is amended to read:

Subd. 3. When a request to spend federal money has been included in the governor's budget or authorized by law as described in subdivision 2, but ~~the state agency proposes to use the federal money to hire state employees in addition to the number included in the governor's budget request or authorized by law,~~ or the amount of federal money received will require a state match greater than that included in the governor's budget request or authorized by law, ~~the additional personnel shall not be hired and the federal money that will require an additional state match shall not be allotted for expenditure until the state agency has first presented to the legislative advisory commission a request in the manner of a budget request and has received the recommendation of the commission on it.~~ Failure or refusal of the commission to make a recommendation promptly is deemed a negative recommendation.

Sec. 251. Minnesota Statutes 1980, Section 3.304, is amended by adding a subdivision to read:

Subd. 2a. [JOINT LEGISLATIVE STUDIES.] *The legislative coordinating commission shall oversee and coordinate all joint legislative studies mandated*

by the legislature and may require regular progress reports to the legislative coordinating commission and to appropriate standing committees of the house of representatives and the senate. Appropriations for all joint legislative studies except those specifically assigned to an existing legislative commission shall be made to the legislative coordinating commission. Responsibility and appropriations for a joint legislative study may be delegated by the legislative coordinating commission to an existing staff office of the house of representatives or senate, a legislative commission, a joint legislative committee or office or a state agency. The office, commission, joint committee, or agency responsible for the study may contract with another agent for assistance.

Sec. 252. Minnesota Statutes 1980, Section 5.08, Subdivision 2, is amended to read:

Subd. 2. [DISTRIBUTION.] 15,000 copies of the legislative manual shall be printed and distributed as follows:

(1) up to 25 copies shall be available to each member of the legislature on request;

(2) 50 copies to the state historical society;

(3) 25 copies to the state university;

(4) 60 copies to the state library;

(5) Two copies each to the library of Congress, the Minnesota veterans home, the state universities, the state high schools, the public academies, seminaries, and colleges of the state, and the free public libraries of the state;

(6) One copy each to the state institutions not hereinbefore mentioned, the elective state officials, the appointed heads of departments, the officers and employees of the legislature, the justices of the supreme court, the judges of the district court, the senators and representatives in Congress from this state, and the county auditors;

(7) One copy to each public school, to be distributed through the superintendent of each school district; and

(8) The remainder may be disposed of as the secretary of state deems best.

Sec. 253. Minnesota Statutes 1980, Section 9.061, Subdivision 5, is amended to read:

Subd. 5. Where an emergency exists the executive council may expend such sums of money as are necessary therefor; but not to exceed \$2,000,000 in any one fiscal year; and such sums of money are hereby appropriated annually from the general fund in the state treasury for such purpose. For the purpose of supplying any deficiency that may arise in the general fund by reason of the appropriation made by this subdivision, the treasurer may temporarily borrow from other public funds a sum not exceeding \$2,000,000 in addition to any other temporary borrowing otherwise authorized by law in any year; provided, that no funds shall be so impaired thereby that all proper demands thereon cannot be met within the limit of appropriations made to the council for this purpose.

Sec. 254. Minnesota Statutes 1980, Section 11A.20, Subdivision 3, is amended to read:

Subd. 3. [CREDITING OF INVESTMENT INCOME.] Notwithstanding provisions of section 11A.12, all investment income and all investment losses attributable to the investment of state treasury funds, *other than the game and fish fund*, not currently needed shall be credited to the general fund.

Sec. 255. Minnesota Statutes 1980, Section 16A.123, is amended to read:

16A.123 [APPROVED COMPLEMENT.]

The approved complement set for an agency by law limits the number of personnel positions in the agency at any one time. The approved complement does not apply to independent contractors. In addition to the approved complement, part-time employees, seasonal or intermittent employees as defined by the commissioner of employee relations, summer student help, service workers, preservice trainees employed pursuant to affirmative action programs approved by the commissioner of employee relations, CETA employees, or employees engaged in repair or construction projects may be employed with the advance approval of the commissioner of finance who shall determine the need for them and that money is available. The approved complement applies to positions in the agency regardless of the fund or appropriation from which they are paid. If more than one approved complement figure for an agency is shown in a law, the figures may be taken as cumulative, or a larger figure may be taken as a total or subtotal of related smaller figures, as the context indicates. Approved complement figures for an agency shown in separate laws enacted at the same biennial session of the legislature are cumulative.

Additional full-time positions over the number of the approved complement may be created on the basis of public necessity or emergency. ~~If the position is to be paid from an appropriation of money other than federal money,~~ The addition shall not be made without the written approval of the governor. The governor shall not approve the addition until after he has consulted with the legislative advisory commission and the commission has made its recommendation on the matter. The recommendation is advisory only. Failure or refusal to make a recommendation promptly is deemed a negative recommendation. ~~If the position is to be paid from an appropriation of federal money, the addition may be made with the written approval of the commissioner of finance who shall determine the need for it and that money is available. The commissioner of finance shall promptly notify the committee on finance of the senate and the committee on appropriations of the house of representatives of the additions.~~

Sec. 256. Minnesota Statutes 1980, Section 17.59, Subdivision 5, as amended by Laws 1981, Chapter 41, Section 3, is amended to read:

Subd. 5. [COMMODITIES RESEARCH AND PROMOTION ACCOUNT.] All fees collected by the department under sections 17.51 to 17.69; 21A.01 to 21A.19; 29.14 to 29.19; 30.461 to 30.477; 32B.01 to 32B.13; and any other fees and income received by the department in the administration of these statutes shall be deposited in a separate account known as the commodity research and promotion account *in the special revenue fund*. *These funds shall be appropriated to the department for the purpose of defraying the expenses of administering and enforcing the sections listed in this subdivision.*

Sec. 257. Minnesota Statutes 1980, Section 17A.04, Subdivision 5, is amended to read:

Subd. 5. [LICENSE FEE.] The applicant shall submit to the commissioner

the following applicable fee or fees: (1) ~~\$100~~ \$120 for each livestock market agency and public stockyard license; (2) ~~\$35~~ \$42 for each livestock dealer license; and (3) ~~\$20~~ \$24 for each agent license.

Sec. 258. Minnesota Statutes 1980, Section 17B.15, is amended to read:

17B.15 [FEES FOR INSPECTION AND WEIGHING; DEDICATED ACCOUNT.]

Subdivision 1. The fees for inspection and weighing shall be fixed by the commissioner and be a lien upon the grain. *The commissioner shall set fees for all inspection and weighing in an amount adequate to pay the expenses of carrying out and enforcing the purposes of sections 17B.01 to 17B.23, including repayment by the department of any amount appropriated from the general fund to establish the grain inspection and weighing account. The fees may be adjusted and set so as to establish a six month or less reserve. Payment shall be required for services rendered.* If the grain is in transit, ~~such~~ the fees shall be paid by the carrier and treated as advance charges, and, if received for storage, ~~such~~ the fees shall be paid by the warehouseman, and added to the storage charges.

All ~~moneys so~~ fees collected and all fines and penalties for violation of any provision of this chapter shall be ~~paid into the state treasury deposited in the grain inspection and weighing account, which is created in the state treasury for carrying out the purpose of sections 17B.01 to 17B.23.~~ The money in the account is annually appropriated to the commissioner of agriculture to administer the provisions of sections 17B.01 to 17B.23.

Subd. 2. The commissioner is directed to review the fee schedule each April and October. ~~If income for the two-year period ending December and June prior to each review period is not equal to 100 percent, or is greater than 110 percent, of expenditures for salaries, overtime and expenses which shall include without limitation, an amount for state retirement and social security contributions, the commissioner shall adjust fees accordingly. Such Fee adjustments shall be effective the first of January and July following the review. The department shall have a two-year initial period to reach 100 percent of expenditures.~~

Subd. 3. [MINIMUM CHARGE.] The schedule of fees shall provide that any elevator, mill, or other business requesting a weighing or inspection service, shall pay a minimum charge per hour for each employee requested or assigned. Any fees earned by the employee shall be credited against the charge made therefor. The minimum charge shall be assessed only after taking into consideration all fees earned and all hours charged. When deemed necessary by the commissioner, a charge for actual overtime costs may be made.

Sec. 259. Minnesota Statutes 1980, Section 18.51, Subdivision 2, is amended to read:

Subd. 2. [FEES; PENALTY.] Each nurseryman shall be required to pay an annual fee before the commissioner shall issue a certificate of inspection. This fee shall be based on the area of all of his nurseries as follows:

Nurseries:

(1) 1/2 acre or less

\$15 \$25 per nurseryman

(2) Over 1/2 acre to and

- including 2 acres \$25 \$35 per nurseryman
- (3) Over 2 acres to and including 5 10 acres \$50 \$60 per nurseryman
- (4) Over 5 10 acres to and including 10 50 acres \$70 \$160 per nurseryman
- (5) Over 10 acres to and including 25 acres \$100 per nurseryman
- (6) Over 25 acres to and including 50 acres \$150 per nurseryman
- (7) (5) Over 50 acres \$300 \$400 per nurseryman

In addition to the above fees, a *minimum* penalty of \$10 or 25 percent of the fee due, whichever is greater, shall be charged for any application for renewal not received by January 1 of the year following expiration of a certificate.

Sec. 260. Minnesota Statutes 1980, Section 18.52, Subdivision 5, is amended to read:

Subd. 5. [FEES; PENALTY.] Each dealer is required to pay an annual fee. The fee charged shall be based on the gross sales of the dealer during the preceding certificate year. In the case of a dealer operating for the first year, the minimum fee will suffice.

Dealers:

- (1) Gross sales up to \$5,000 \$1,000 at a location \$25 \$20 per location
- (2) Gross sales over \$5,000 \$1,000 and up to \$10,000 \$5,000 at a location \$35 \$30 per location
- (3) Gross sales over \$10,000 \$5,000 up to \$15,000 \$10,000 at a location \$50 \$45 per location
- (4) Gross sales over \$15,000 \$10,000 up to \$25,000 at a location \$60 \$70 per location
- (5) Gross sales over \$25,000 up to \$50,000 \$75,000 at a location \$75 \$115 per location
- (6) Gross sales over \$50,000 up to \$75,000 at a location \$100 per location
- (7) (6) Gross sales over \$75,000 up to \$100,000 at a location \$150 \$175 per location
- (8) (7) Gross sales over \$100,000 at a location \$200 \$250 per location

In addition to the above fees, a *minimum* penalty of \$10 or 25 percent of the fee due, whichever is greater, shall be charged for any application for renewal not received by January 1 of the year following expiration of a certificate.

Sec. 261. Minnesota Statutes 1980, Section 18.54, Subdivision 1, is amended to read:

Subdivision 1. The commissioner or his employee may make small lot

inspections or perform other necessary services for which another charge is not specified. For ~~such a service, he~~ *these services the commissioner shall charge a fee of \$10; in addition, he may a charge may be made for the necessary expenses incurred by the inspector performing this service. The commissioner may set an additional acreage fee for inspection of seed production fields for exporters in order to meet domestic and foreign plant quarantine requirements.*

Sec. 262. Minnesota Statutes 1980, Section 19.19, Subdivision 1, is amended to read:

Subdivision 1. No person shall own, possess, or operate bees without registering ~~his~~ *the* bees with the commissioner. Application for ~~such~~ registration must be filed within 30 days of obtaining possession of bees and equipment. The registration application shall describe the location of each of the applicant's apiaries and the number of colonies in each apiary or location. The commissioner shall issue a registration certificate to a person who makes written application on forms prepared by the commissioner and who pays a registration fee of ~~\$5~~ \$7.50. Each registration certificate expires on the last day of June next following its issuance. Each registration certificate must be renewed within 30 days of expiration of previous registration. A registration certificate may be renewed upon written application and payment of the registration fee described in this subdivision.

Sec. 263. Minnesota Statutes 1980, Section 19.19, Subdivision 2, is amended to read:

Subd. 2. In addition to the annual registration fee, a person owning or possessing 11 or more bee colonies shall pay an annual inspection fee of ~~45~~ 17 cents for each colony of bees owned, possessed, or operated. A person owning or possessing one to ten colonies is not required to pay an inspection fee. This fee shall be based upon the colony count taken as of June 15 of each year, and shall be payable on or before the last day of June of each year. A penalty of 50 percent of both the inspection fee and the registration fee imposed by subdivision 1 shall be imposed if a registration renewal certificate has not been applied for prior to August 1 of any year or within 30 days after a new apiary is established.

Sec. 264. Minnesota Statutes 1980, Section 19.20, Subdivision 4, is amended to read:

Subd. 4. [INSPECTION FEE FOR CERTIFICATION OF FALL INTER-STATE SHIPMENTS OF BEE COLONIES.] An interstate inspection fee of ~~twenty-five~~ 40 cents for each colony inspected shall be paid by the owner, possessor or operator requesting inspection service.

Sec. 265. Minnesota Statutes 1980, Section 27.041, Subdivision 2, is amended to read:

Subd. 2. [LICENSES.] The license, or certified copy thereof, shall be kept posted in the office of the licensee at each place within the state where he transacts business. Every license shall expire June 30 following its issuance and thereafter be renewed July 1 each year. Any license issued under this subdivision shall automatically be void upon the termination of the surety bond covering the licensed operation. The fee for each license shall be based on the following schedule:

License Fee	Penalty for Late Renewal	Dollar Volume of Business
\$ 25 30	\$ 8 9.60	\$10,000 or less per month
\$ 50 60	\$15 18	Over \$10,000 to \$50,000 per month
\$ 75 90	\$22 26.40	Over \$50,000 to \$100,000 per month
\$100 120	\$30 36	Over \$100,000 per month

A fee of \$5 shall be charged for each certified copy of a license. The commissioner shall make appropriate license fee adjustments for up to one year from July 1, 1975 for persons required to be licensed hereunder, who hold validly issued licenses as of the effective date of Laws 1975, Chapter 227 under the provisions of law amended or repealed herein. When the licensee sells, disposes of, or discontinues his business during the lifetime of his license he shall at the time the action is taken, notify the commissioner in writing, and upon demand produce before the commissioner a full statement of all assets and liabilities as of the date of transfer or discontinuance of the business.

All moneys collected from license fees shall be deposited in the state treasury.

Sec. 266. Minnesota Statutes 1980, Section 28A.08, is amended to read:

28A.08 [LICENSE FEES; PENALTIES.]

The fees for licenses and the penalties for late renewal thereof prescribed herein shall apply to the sections named except as provided under section 28A.09. Except as specified herein, bonds and assessments based on number of units operated or volume handled or processed which are provided for in said laws shall not be affected, nor shall any penalties for late payment of said assessments, nor shall inspection fees, be affected by this chapter.

	Type of food handler	License Fee	Penalty
1.	Retail food handler		
	(a) Having gross sales of less than \$250,000 for the immediately previous license or fiscal year	\$15 18	\$5 6
	(b) Having \$250,000 to \$1,000,000 gross sales for the immediately previous license or fiscal year	\$30 36	\$10 12
	(c) Having over \$1,000,000 gross sales for the immediately previous license or fiscal year	\$50 60	\$15 18
2.	Wholesale food handler	\$30 36	\$10 12
3.	Food broker	\$15 18	\$5 6
4.	(a) Wholesale food processor or manufacturer	\$100 120	\$30 36
	(b) Wholesale food processor of meat or poultry products under supervision of the U.S. Department of Agriculture	\$50 60	\$15 18
	(c) Wholesale food manufacturer having the permission of the commissioner to use the name Minnesota farmstead cheese	\$25 30	\$10 12

Sec. 267. Minnesota Statutes 1980, Section 32.075, is amended to read:

32.075 [TERM OF LICENSE; TRANSFERABILITY; FEES AND PENALTIES.]

Every license issued by the commissioner shall be for a period ending on the thirty-first day of December next following, and shall not be transferable. The fee for each such initial license shall be ~~\$15~~ \$18 and each renewal thereof shall be \$6 \$7.20 and shall be paid to the commissioner before any license or renewal thereof is issued. If a license renewal is not applied for on or before January 1 of each year, a penalty of 25 percent of the license fee shall be imposed. A person who does not renew his license within one year following its December 31 expiration date, except those persons who do not renew such license while engaged in active military service, shall be required to prove his competency and qualification pursuant to section 32.073, before a license is issued. The commissioner may require any other person who renews his license to prove his competency and qualification in the same manner. All license fees and penalties received by the commissioner shall be paid into the state treasury.

Sec. 268. Minnesota Statutes 1980, Section 32.59, is amended to read:

32.59 [NONRESIDENT MANUFACTURER LICENSE.]

Any person who manufactures frozen foods, mix, ice cream mix, mix base, or ice cream mix base outside of the state, for sale within the state, shall apply for registration with the department of agriculture in such form, and furnish such information, as it may require. Samples of all frozen foods, mix, ice cream mix, mix base, or ice cream mix base, so manufactured for sale and sold within this state, shall be submitted to the department. Each application for registration shall be accompanied by a fee of ~~\$100~~ \$120, which shall constitute the registration fee in case certificate of registration is granted. If the department of agriculture shall find that the samples so submitted are up to the accepted standards, and otherwise comply with the laws of this state, it shall issue to applicant a certificate of registration.

Sec. 269. Minnesota Statutes 1980, Section 40.071, is amended to read:

40.071 [ADDITIONAL POWERS OF A DISTRICT.]

In addition to powers and duties otherwise provided by law, a soil and water conservation district may procure *liability insurance as provided in section 466.13, subdivision 3 466.06, automobile insurance on personal cars while used on official business, insurance on the contents of district offices up to a maximum of \$7,500 per office, and workers' compensation insurance, or may require the county or counties in which the district is located to include the district in the county's or counties' insurance coverage for these purposes.*

Sec. 270. Minnesota Statutes 1980, Section 43.46, Subdivision 2, is amended to read:

Subd. 2. [EMPLOYEE COVERAGE.] The amount of premium paid by the state for represented employees for state employees' basic hospital benefits, basic medical benefits and basic dental benefits coverage shall be negotiated between the state and exclusive representatives of state employees. Except as provided in this subdivision, the amount paid for each state employee's coverage shall be uniform for all employees in the same bargaining unit. Employees who select a carrier whose premium is in excess of the state payment shall be

required to pay the difference. ~~Employees who select a carrier whose premium is less than the state payment shall be paid the difference as additional compensation.~~

Sec. 271. Minnesota Statutes 1980, Section 43.46, Subdivision 3, is amended to read:

Subd. 3. [DEPENDENT COVERAGE.] The amount of premium paid by the state for state employees' dependents' basic hospital benefits, basic medical benefits and basic dental benefits coverage shall be negotiated between the state and exclusive representatives of state employees. Except as provided in this subdivision, the amount paid for each state employee's dependent coverage shall be uniform for all employees in the same bargaining unit. Employees who select a carrier whose premium is in excess of the state payment shall be required to pay the difference. ~~Employees who select a carrier whose premium is less than the state payment shall be paid the difference as additional compensation.~~

Sec. 272. Minnesota Statutes 1980, Section 60A.15, Subdivision 1, is amended to read:

Subdivision 1. [DOMESTIC AND FOREIGN COMPANIES OTHER THAN TOWN AND FARMERS' MUTUAL AND DOMESTIC MUTUALS OTHER THAN LIFE.] On or before April 15, June 15, ~~September 15~~ and December 15 of each year following December 31, 1971, every domestic and foreign company, except town and farmers' mutual insurance companies and domestic mutual insurance companies other than life, shall pay to the state treasurer through the commissioner of insurance ~~quarterly~~ installments ~~equal to one-third~~ of the insurer's total estimated tax for the current year based on a sum equal to two percent of the gross premiums less return premiums on all direct business received by it in this state, or by its agents for it, in cash or otherwise, during such year, excepting premiums written for marine insurance as specified in subdivision 6. If unpaid by such dates penalties of ten percent shall accrue thereon, and thereafter such sum and penalties shall draw interest at the rate of one percent per month until paid. Failure of a company to make ~~quarterly~~ payments of at least ~~one-fourth~~ ~~one-third~~ of either (a) the total tax paid during the previous calendar year or (b) 80 percent of the actual tax for the current calendar year shall subject the company to the penalty and interest provided in this subdivision.

Sec. 273. Minnesota Statutes 1980, Section 85.05, Subdivision 1, is amended to read:

Subdivision 1. [RULES, FEES.] The commissioner is ~~hereby authorized to~~ ~~may~~ make rules and regulations for the use of state parks and charge appropriate fees for ~~such these~~ uses, as hereinafter specified;

(1) Provide special parking space for automobile or other motor-driven vehicle in any state park or state recreation area;

(2) Provide special parking spurs and camp grounds for automobiles and sites for tent camping and special auto trailer coach parking spaces for the use of the individual charged for ~~such the~~ space according to the daily rates which shall be determined and fixed by the commissioner of ~~natural resources~~ consistent with the type of facility provided for the accommodation of guests in any particular park and with similar facilities offered for tourist camping in the

area;

(3) Improve and maintain golf courses already established in state parks, and charge reasonable fees for the use thereof;

(4) ~~May~~ Charge a fee for entrance to any pageant grounds which may be created in any state park for the purpose of having historical or other pageants conducted by the commissioner of any other authorized agency.

When deemed necessary ~~by~~ the commissioner, for the purpose of better carrying out ~~any such~~ state park pageants, ~~he~~ may stage ~~such the~~ pageants in any municipal park or other lands near or adjoining any state park, and all receipts from ~~such the~~ pageants shall be used in the same manner as though the pageants were carried on in a state park;

(5) Provide water, sewer, and electric service to trailer or tent camp sites and charge a reasonable fee therefor.

Any individual age 65 or over *who is a resident of the state of Minnesota* who furnishes satisfactory proof of age *and residence* shall be exempt from payment of *one-half of the fees set pursuant to clauses 1 to 4 clause 2 on Monday through Thursday of each calendar week. Fees paid pursuant to this section shall be deposited in the state park maintenance and operation account in the state treasury.*

Sec. 274. Minnesota Statutes 1980, Section 85.05, Subdivision 2, is amended to read:

Subd. 2. [PERMITS FOR MOTOR VEHICLES.] (a) Except as provided in clauses (b), (c), (d) and (e), no motor vehicle shall enter or be permitted to enter any state park, ~~state monument~~, state recreation area or state wayside over 50 acres in area unless it has affixed to its windshield in the lower right corner thereof a permit which is provided for hereinafter. The commissioner of ~~natural resources~~ shall procure permits ~~in such form as he shall prescribe~~ for each calendar year which by appropriate language shall grant permission to use any state park, ~~state monument~~, state recreation area or state wayside over 50 acres in area. Permits for each calendar year shall be provided and placed on sale before October 1 next preceding, and may be affixed and used on or at any time after ~~said that~~ date until the end of the calendar year for which issued. ~~Such~~ Permits in each category shall be numbered consecutively for each year of issue. A fee of ~~\$5 \$10~~ shall be charged for each permit issued *for a vehicle licensed in Minnesota and \$15 for a vehicle licensed outside of Minnesota*, except that permits of appropriate special design may be sold individually at ~~\$1.50 \$3~~ *for a vehicle licensed in Minnesota and \$4 for a vehicle licensed outside of Minnesota* covering the use of state parks, ~~state monuments~~, state recreation areas or state waysides under such conditions as the commissioner may prescribe for a designated period of not more than two days. The fee collected shall be deposited in the state park ~~development maintenance and operation~~ account in the state treasury. *Appropriations from this account shall be for state park maintenance and operation.* ~~Such~~ Permits shall be issued by ~~such~~ employees of the division of parks and recreation as the commissioner of natural resources may designate in writing and as hereinbefore provided.

(b) The commissioner shall issue without charge an employee's motor vehicle permit to any state employee who, for the purpose of performing official duties, must enter places where park stickers are required. The employee shall

display ~~his employee's~~ the permit on ~~his~~ the motor vehicle in the same manner as state park stickers are displayed. A motor vehicle displaying only an employee's permit may not enter a place where park stickers are required if the vehicle is used for purposes other than ~~those authorized by this clause~~ performing official duties.

(c) The commissioner shall issue ~~without charge~~ for one-half of the fees provided in clause (a) a motor vehicle permit to any individual of the age of 65 years or over who furnishes satisfactory proof of age and who is a resident of the state of Minnesota. ~~Such~~ The permit or the decal evidencing its issuance shall be valid only when displayed upon the vehicle owned and occupied by the person to whom issued.

(d) No state park permit is necessary for entry of a motor vehicle into a state park, state monument, state recreation area, or state wayside, on one day each calendar year which the commissioner may designate as state park open house day for the purpose of acquainting the public with state parks, ~~monuments,~~ recreation areas, and waysides. The commissioner shall announce the date of state park open house day at least 30 days in advance of the open house.

(e) No state park permit is necessary, nor shall any fee, including a parking fee, be charged, for entry of a motor vehicle into that part of Fort Snelling state park commonly known as Fort Snelling Memorial Chapel island.

Sec. 275. [85.051] [STATE PARK DEVELOPMENT ACCOUNT.]

The state park development account in the state treasury is hereby continued, and consists of money credited to it from other sources including distributions pursuant to section 296.421.

Sec. 276. Minnesota Statutes 1980, Section 85.22, Subdivision 2a, is amended to read:

Subd. 2a. [RECEIPTS, APPROPRIATION.] All receipts derived from the ~~operations of sale of items in~~ state parks shall be deposited in the state treasury and be credited to the state parks working capital fund, which fund is annually appropriated solely for the purchase of merchandise for resale. Annually, as of the close of business on June 30, the unencumbered balance in excess of ~~\$50,000~~ \$100,000 shall be cancelled into the general fund.

Sec. 277. Minnesota Statutes 1980, Section 85A.04, Subdivision 1, is amended to read:

Subdivision 1. All receipts from the operation of the Minnesota zoological garden shall be deposited to the credit of the general fund, *except as provided in subdivision 3.*

Sec. 278. Minnesota Statutes 1980, Section 85A.04, is amended by adding a subdivision to read:

Subd. 3. [ZOO GIFT STORE ACCOUNT.] *A working capital account is established for the gift store of the Minnesota zoological garden. All receipts from the gift store operation shall be deposited in the state treasury and credited to the account and are appropriated for the purposes of the gift store. Gift store expenses, including inventory, personnel costs, space rental, and overhead, shall be paid from the account. The unencumbered balance in the account on June 30 of each year in excess of the value of the inventory of the gift*

store on June 30, 1981 shall be transferred to the general fund. If improvements or expansions are planned for the gift store operation to be paid with gift store receipts, the plan must be first approved by the governor after receiving the recommendation of the legislative advisory commission.

Sec. 279. Minnesota Statutes 1980, Section 89.43, is amended to read:

89.43 [TREE SEEDS AND CONES, PAYMENTS FROM APPROPRIATIONS.]

Notwithstanding any provision of law to the contrary, out of any moneys money appropriated to the commissioner of natural resources for the purchase of tree seeds and seed cones the commissioner of finance and the state treasurer shall pay to the commissioner upon his request not to exceed the sum of \$10,000 in cash at any one time and not to exceed the sum of \$25,000 in any one fiscal year for the purpose of purchasing tree seeds and seed cones, and the payment therefor the amounts deemed necessary by the commissioner to maintain an inventory of tree seeds and seed cones to assure an adequate supply for the nursery and forestry development needs of the department and to pay for the seeds and seed cones in cash at the time of delivery. At no time shall the moneys in the hands of the commissioner for this purpose exceed the sum of \$10,000.

All moneys paid to The commissioner shall deposit any money received pursuant to this section shall be deposited by him in a state depository subject to withdrawal for disbursement by check for the purposes described by the commissioner or his authorized agent.

The commissioner of finance shall prescribe such rules as he deems necessary for the accounting by which the commissioner of natural resources of shall account for the expenditures made pursuant to this section and may require an additional bond to cover all moneys delivered money paid to the commissioner of natural resources for disbursement by him or his authorized agent pursuant to this section. Any bond premiums shall be paid by the commissioner from any moneys money available for such purposes that purpose.

Unless the legislature specifically otherwise directs in any act appropriating money to the commissioner of natural resources for the division of lands and forestry for the purchase of tree seeds and seed cones, moneys money paid to the commissioner and unexpended pursuant to the terms of this section shall not cancel on June 30 of any fiscal year and shall be available for expenditure in the ensuing fiscal year.

Sec. 280. Minnesota Statutes 1980, Section 97.40, Subdivision 21, is amended to read:

Subd. 21. "Resident" means any citizen of the United States or resident alien who has maintained a legal residence in the state of Minnesota for a period of 60 days immediately preceding the date of application for license, a domestic corporation, or a foreign corporation authorized to do business in the state which has conducted the business licensed at an established place within the state for a period of at least ten years.

Sec. 281. Minnesota Statutes 1980, Section 97.482, Subdivision 1, is amended to read:

Subdivision 1. [IMPOSITION.] To provide funds for the purpose of carry-

ing out the provisions of sections 97.481 to 97.484, there is hereby imposed upon all small game hunting licenses a surcharge of \$2 \$4, which shall be added to such license fee, and which surcharge shall be free from any commissions and so stated on the back of the small game hunting licenses, together with the following statement: "This \$2 \$4 surcharge is being paid by sportsmen for the acquisition and development of wildlife lands."

Sec. 282. [EFFECTIVENESS OF SECTIONS.]

Notwithstanding any other law, Minnesota Statutes, Sections 97.481 to 97.484 shall continue to be effective until repealed.

Sec. 283. Minnesota Statutes 1980, Section 98.45, Subdivision 6, is amended to read:

Subd. 6. ~~An alien spouse or~~ A nonresident child under the age of 21 of a resident of this state may take, buy, sell, transport, or possess wild animals as a resident. ~~Any other alien who has made a declaration of intention to become a citizen of the United States in accordance with the statutes of the United States relating to the naturalization of aliens, and who is qualified as a resident of the state except for citizenship, may take, buy, sell, transport, or possess wild animals as a resident.~~

Sec. 284. Minnesota Statutes 1980, Section 98.46, Subdivision 2, is amended to read:

Subd. 2. Fees for the following licenses, to be issued to residents only, shall be:

- (1) To take small game, ~~\$5~~ \$7;
- (2) To take deer ~~or bear, or both,~~ with firearms during the period in which the licensee may take deer, ~~\$10~~ \$14;
- (3) To take deer ~~or bear, or both,~~ with bow and arrow during the period in which the licensee may take deer, ~~\$10~~ \$14;
- (4) To take fish by angling, ~~\$5~~ \$6.50;
- (5) Combination husband and wife, to take fish by angling, ~~\$8~~ \$10.50;
- (6) To take moose, ~~\$100~~ \$140 for an individual or for a party of not to exceed four persons;
- (7) To take bear only, ~~\$7.50~~ \$14;
- (8) To take turkeys, \$10, in addition to a small game license;
- (9) *To take raccoon, bobcat, coyote or fox with the aid of dogs, \$7.50, in addition to a small game license.*

Sec. 285. Minnesota Statutes 1980, Section 98.46, Subdivision 2a, is amended to read:

Subd. 2a. The commissioner of natural resources shall issue Minnesota sportsman licenses by March 1, 1978. The licenses shall be issued to residents only. The fee for licenses shall be ~~\$9~~ \$12 if the angling license is for one person and ~~\$12~~ \$16 if the angling license is a combination husband and wife license. These fees do not include the surcharge authorized pursuant to section 97.482 nor the state waterfowl stamp required by section 97.4841.

The license shall authorize the licensee to:

- (1) Take small game;
- (2) Take fish by angling.

~~The game and fish subcommittee of the house of representatives and the fish and wildlife subcommittee of the senate shall study the feasibility of other combinations for sportsman's licenses prior to January 1, 1978.~~

Sec. 286. Minnesota Statutes 1980, Section 98.46, is amended by adding a subdivision to read:

Subd. 2b. The commissioner of natural resources, in commemoration of the fiftieth year of the department, shall issue Minnesota golden licenses by March 1, 1982. The license shall be issued to residents only. The fee for the license shall be \$100 and shall authorize the licensee to:

- (1) Take small game;*
- (2) Take fish by angling;*
- (3) Spear fish from a dark house;*
- (4) Trap fur bearing animals, except beaver;*
- (5) Take deer with firearms;*
- (6) Take deer with bow and arrows; and*
- (7) Take bear.*

The fee includes the surcharge authorized pursuant to section 97.482, the state waterfowl stamp required by section 97.4841 and the state trout stamp required by section 306.

The license shall be issued in distinctive format on durable, gold colored material.

Sec. 287. Minnesota Statutes 1980, Section 98.46, Subdivision 3, is amended to read:

Subd. 3. Fees for the following licenses, to be issued to residents only, shall be:

- (1) To harvest wild rice, ~~\$4~~ \$10;
- (2) To buy and sell wild ginseng, \$5.

Sec. 288. Minnesota Statutes 1980, Section 98.46, Subdivision 4, is amended to read:

Subd. 4. Fees for the following licenses, to be issued to residents only, shall be:

(1) To trap fur bearing animals, except beaver, for residents over the age of 13 and under the age of 18, \$3.50;

~~(1)~~ *(2) To trap fur bearing animals, except beaver, for residents 18 years of age and older, \$5 \$13;*

~~(2)~~ *(3) To buy or sell raw furs anywhere within the state including the privilege of selling to resident manufacturers or to unlicensed non-residents,*

representing unlicensed non-residents as a broker or agent, or conducting a fur auction wherein sales are made to unlicensed non-residents or resident manufacturers, ~~\$50 \$100~~, provided that any employee, partner or officer buying or selling at the established place of business only for ~~such~~ the licensee may secure a supplemental license for ~~\$20 \$50~~;

~~(3)~~ (4) To trap beaver during an open season or by permit when doing damage, ~~\$2.50~~;

(4) (5) To guide bear hunters, ~~\$50 \$75~~.

Sec. 289. Minnesota Statutes 1980, Section 98.46, Subdivision 5, is amended to read:

Subd. 5. Fees for the following licenses, to be issued to residents only, shall be:

(1) To spear fish from a dark house, ~~\$5 \$7.50~~;

(2) For any fish house or dark house used during the winter fishing season, \$3 for each fish house or dark house not rented or offered for hire, and ~~\$10 \$13~~ for each fish house or dark house rented or offered for hire. Each ~~such~~ fish house or dark house shall have attached to the outside a metal tag at least two inches in diameter with a 3/16 inch hole in the center, which will be issued with a license. Each metal tag shall be stamped with a number to correspond with the fish house or dark house license and also shall be stamped with the year of issuance. The metal tag shall be attached to the fish house or dark house as designated by commissioner's order;

(3) To net whitefish, tullibees or herring from inland lakes or international waters, for domestic use only, for each net, \$3;

(4) To conduct a taxidermist business, ~~\$10 for three consecutive years for residents 18 years of age and older, \$40; for residents under the age of 18, \$25~~;

(5) To maintain fur and game farms, including deer, ~~\$10 \$15~~;

~~(6) To take mussels or clams, \$25~~;

~~(7)~~ (6) To take, transport, purchase and possess for sale unprocessed turtles and tortoises within the state, ~~\$25 \$50~~;

~~(8)~~ (7) To prepare dressed game fish shipments for nonresidents as provided by section 97.45, subdivision 6, as amended, ~~\$10 \$13~~;

~~(9)~~ (8) Minnow dealer, ~~\$50 \$70~~ plus \$10 for each vehicle;

~~(10)~~ (9) Minnow dealer's helper, \$5 for each helper. Minnow dealer's helpers' licenses shall be issued to the minnow dealer and are transferable by the dealer at will to his own helpers;

~~(11)~~ (10) Exporting minnow dealer, ~~\$200 \$250~~, plus \$10 for each vehicle.

Each vehicle license shall cover a specified vehicle. The serial number, license number, make, and model shall be specified on the license which must be conspicuously posted in the vehicle licensed.

Sec. 290. Minnesota Statutes 1980, Section 98.46, Subdivision 5a, is amended to read:

Subd. 5a. Fees for the following licenses, to be issued to nonresidents, shall

be:

(1) For an exporting minnow hauler, ~~\$400~~ \$525, plus \$10 for one vehicle license only.

(2) Each vehicle license shall cover a specified vehicle. The serial number, license number, make and model shall be conspicuously posted in the vehicle licensed.

Sec. 291. Minnesota Statutes 1980, Section 98.46, Subdivision 6, is amended to read:

Subd. 6. Fees for the following licenses to net for commercial purposes in the boundary waters between Wisconsin and Minnesota from Taylors Falls to the junction of the Mississippi River and Lake St. Croix and from Lake St. Croix to the Iowa border, which, except in the case of helpers licenses, shall be issued to residents only, shall be:

(1) For a seine not exceeding 500 feet, ~~\$20~~ \$25;

(2) For a seine in excess of 500 feet, but not over 1,000 feet, ~~\$30~~ \$40;

(3) For each 100 feet of seine in excess of 1,000 feet, ~~\$2~~ \$2.50;

(4) For helper's license, \$5.

Sec. 292. Minnesota Statutes 1980, Section 98.46, Subdivision 7, is amended to read:

Subd. 7. Fees for the following licenses to net for commercial purposes in the boundary waters between Wisconsin and Minnesota from Lake St. Croix to the Iowa border, which, except in the case of helpers licenses, shall be issued to residents only, shall be:

(1) For each gill net not exceeding 500 feet in length, ~~\$10~~ \$13;

(2) For each gill net exceeding 500 feet, but not over 1,000 feet, ~~\$20~~ \$25;

(3) For each fyke net or hoop net, \$10;

(4) For each bait or turtle net, ~~\$1~~ \$1.50;

(5) For each set line, ~~\$10~~ \$13 for each identification tag to be attached to each set line;

(6) For helper's license, \$5.

Sec. 293. Minnesota Statutes 1980, Section 98.46, Subdivision 8, is amended to read:

Subd. 8. Fees for the following licenses to take rough fish with ~~set lines, or seines,~~ in the Mississippi River from the St. Croix River junction to St. Anthony Falls, to be issued to residents only, shall be:

(1) For a seine not exceeding 500 feet, ~~\$20~~ \$25; for a seine in excess of 500 feet, but not over 1,000 feet, ~~\$30~~ \$40; for each 100 feet of seine or fraction thereof in excess of 1,000 feet, \$2;

~~(2) For each set line, \$10;~~

~~(3)~~ (2) For helper's license, \$5.

Sec. 294. Minnesota Statutes 1980, Section 98.46, Subdivision 9, is

amended to read:

Subd. 9. A license to take rough fish with one set line, containing not more than ten hooks, in the Minnesota River from Mankato to its junction with the Mississippi River, and in the Mississippi River from St. Anthony Falls to the St. Croix junction, for domestic use, shall be issued to residents only, upon payment of the fee of ~~\$10~~ \$13.

Sec. 295. Minnesota Statutes 1980, Section 98.46, Subdivision 9a, is amended to read:

Subd. 9a. Licenses to net commercial fish in inland waters shall be issued annually and shall be valid for commercial fishing during the period from the day after Labor Day to the day preceding the opening of the season for the taking of walleye. License fees shall be ~~\$50~~ \$70, plus:

(a) ~~Fifty~~ 75 cents for each hoop net pocket;

(b) ~~\$10~~ \$15 for each 1,000 feet of seine. Provided that in the license application to the commissioner, each applicant shall list the number of feet of seine of each depth for which he wishes to be licensed; and

(c) \$5 for each helper's license.

Sec. 296. Minnesota Statutes 1980, Section 98.46, Subdivision 10, is amended to read:

Subd. 10. Fees for the following licenses to net fish in Lake of the Woods, to be issued to residents only, shall be:

(1) For each pound net or staked trap net, ~~\$35~~ \$45;

(2) For each fyke net with wings or lead not exceeding four feet in height, ~~\$5~~ \$10;

(3) For each fyke net with either wings or lead over four feet in height, an additional \$5 for each additional two feet or fraction thereof;

(4) For each 100 feet of gill net, ~~\$1.50~~ \$2.50;

(5) For each submerged trap net, \$15;

(6) For helper's license, ~~\$5~~ \$15;

(7) For each trawl, \$500.

Sec. 297. Minnesota Statutes 1980, Section 98.46, Subdivision 11, is amended to read:

Subd. 11. Fees for the following licenses to net fish in Rainy Lake, to be issued to residents only, shall be:

(1) For each pound net, ~~\$35~~ \$45;

(2) For each 100 feet of gill net, ~~\$1.50~~ \$2.50;

(3) For helper's license, ~~\$5~~ \$15.

Sec. 298. Minnesota Statutes 1980, Section 98.46, Subdivision 12, is amended to read:

Subd. 12. (a) Fees for the following licenses to fish commercially in Lake Superior, to be issued to residents only, shall be:

(1) For not to exceed 1,000 feet (305 m) of gill net of mesh size not less than 2.25 inch (5.75 cm) nor more than 2.75 inch (7 cm) extension measure, ~~\$50~~ \$70 plus \$1 \$2 for each additional 1,000 feet (305 m);

(2) For not to exceed 1,000 feet (305 m) of gill net of mesh size not less than 4.5 inch (11.5 cm) mesh extension measure, ~~\$50~~ \$70 plus \$1 \$2 for each additional 1,000 feet (305 m);

(3) For a pound or trap net, ~~\$50~~ \$70 plus \$1 \$2 for each additional pound or trap net;

(4) For a helper's license, \$5.

(b) A license to fish commercially in Lake Superior shall be issued only to a resident who, except as herein provided:

(1) Possesses 5,000 feet of gill net of mesh sizes permitted in section 102.28 or two pound nets;

(2) Landed fish in the previous year with a value of at least \$1,500, except for those state waters from Duluth to Silver Bay upon the discretion of the commissioner; and

(3) Engaged in commercial fishing for at least 50 days of the previous year.

~~An applicant for a license in 1978 must have met the requirements of subdivision 12, clause (b) during two of the previous three years.~~

An applicant shall be issued a license without meeting the requirements of subdivision 12, clause (b) if the applicant is 65 or more years of age and has held a license continuously since 1947. An applicant may be issued a license, at the discretion of the commissioner, if ~~his~~ failure to meet the requirements of subdivision 12, clause (b) resulted from illness or other mitigating circumstances, or ~~he~~ the applicant has reached the age of 65 and has been licensed at least ten of the previous 15 years. Persons receiving licenses under the provisions for applicants 65 years of age or more must be in attendance at the setting and lifting of nets. The commissioner may issue multiple licenses to individuals who meet the requirements of subdivision 12, clause (b), and have held multiple licenses prior to 1978.

(c) A license may be issued to an applicant who has not fished commercially on Lake Superior before, if the applicant:

(1) Shows a bill of sale indicating the purchase of gear and facilities connected with an existing license; or

(2) Shows proof of inheritance of all the gear and facilities connected with an existing license; or

(3) Has served at least two years as a helper in a Minnesota Lake Superior licensed commercial fishing operation; and

(4) Has no record of conviction for violating chapters 97 to 102 in the preceding three years.

Sec. 299. Minnesota Statutes 1980, Section 98.46, Subdivision 14, is amended to read:

Subd. 14. Fees for the following licenses, to be issued to nonresidents, shall be:

(1) To take small game and unprotected quadrupeds with firearms and bow and arrows, ~~\$25~~ \$35;

(2) To take deer and bear during the period in which the licensee may take deer, and unprotected quadrupeds with firearms and bow and arrows, ~~\$60~~ \$75;

(3) To take deer and bear during the period in which the licensee may take deer, and unprotected quadrupeds with a bow and arrows only, ~~\$25~~ \$35;

(4) To take bear, ~~\$25-25~~ \$100;

(5) To take turkeys, \$30, in addition to a small game license;

(6) To hunt raccoon, \$100, in addition to nonresident small game license.

Sec. 300. Minnesota Statutes 1980, Section 98.46, Subdivision 15, is amended to read:

Subd. 15. Fees for the following licenses, to be issued to nonresidents, shall be:

(1) To take fish by angling, ~~\$10~~ \$15;

(2) A short term individual license to take fish by angling for ~~three~~ seven consecutive days, ~~\$5~~ \$10.50;

(3) A short term individual license to take fish by angling for one day, \$5;

(4) Combination husband and wife, to take fish by angling, ~~\$15~~ \$20;

(4) (5) For any fish house used during the winter fishing season, \$15. A fish house licensed pursuant to this subdivision shall be identified as prescribed in subdivision 5. The house shall be collapsible and portable, and shall at no time be left unattended while on the ice. The provisions of section 101.42 not inconsistent herewith shall also apply to fish houses licensed pursuant to this subdivision.

Sec. 301. Minnesota Statutes 1980, Section 98.46, Subdivision 16, is amended to read:

Subd. 16. Fees for the following licenses, to be issued to non-residents, shall be:

To buy or sell raw furs, ~~\$400~~ \$500, except that a license shall not be required to buy from those licensed under subdivision 4, clause (2).

To guide bear hunters, \$400.

Sec. 302. Minnesota Statutes 1980, Section 98.46, Subdivision 17, is amended to read:

Subd. 17. Fees for the following licenses, to be issued to either residents or nonresidents, shall be:

(1) To deal in live or engage in the business of preserving minnows; minnow retailer, ~~\$5~~ \$10 plus \$10 for each vehicle used to transport minnows.

(2) To raise fish in a private hatchery, for annual sales under \$200, \$25; and for annual sales of \$200 or more, \$50.

(3) To take under state supervision sucker eggs from public waters, for private fish hatchery purposes:

(a) To take not to exceed 100 quarts, ~~\$100~~ \$150;

(b) To take in excess of 100 quarts, \$2 \$3 per quart for such excess.

Sec. 303. Minnesota Statutes 1980, Section 98.46, Subdivision 18, is amended to read:

Subd. 18. Fees for the following licenses, to be issued to either residents or nonresidents shall be:

(1) For a wild rice dealer's license to buy wild rice within the state for resale to anyone except consumers, or to sell wild rice imported from outside the state to anyone within the state except consumers, ~~\$50~~ \$70 if the amount of wild rice bought or sold by the licensee within the year covered by the license does not exceed 50,000 pounds, ~~\$200~~ \$250 if ~~such the~~ amount exceeds 50,000 pounds. For the purposes hereof the weight of wild rice in its raw state shall govern. All raw rice purchased by a dealer shall be reported in accordance with clauses (2), (3), (4), and (5) of this subdivision.

(2) Every application for a license under this subdivision shall be made on oath in writing in ~~such the~~ form as the commissioner shall prescribe, stating the amount of wild rice, whether raw or processed, bought or sold by the applicant during the calendar year preceding the year for which the license is sought, the amount which the applicant estimates ~~he will buy be bought or sell sold~~ under the license, and ~~such~~ other pertinent information as the commissioner may require. The license fee shall be paid in advance, based on ~~such the~~ estimate, subject to adjustment as hereinafter provided; provided, that no license shall be issued for any year based on a lesser amount of wild rice than was bought or sold by the applicant during the preceding calendar year.

(3) Every licensee under this subdivision shall keep a correct and complete book record of all wild rice bought or sold ~~by him~~ during the period covered by ~~his the~~ license, showing the date of each transaction, the names and addresses of all other parties thereto, and the amount of wild rice involved, whether raw or processed. Every ~~such~~ record shall be open for inspection by the commissioner, the coordinator of wild rice, or any conservation officer or agent of the commissioner at all reasonable times. Every licensee shall transmit to the commissioner within ten days after the end of each calendar month during the period covered by the license a written report, in ~~such the~~ form as the commissioner shall prescribe, signed by the licensee, stating the total amount of wild rice bought or sold ~~by him~~ during ~~such the~~ calendar month, whether raw or processed.

(4) No dealer licensee under this subdivision shall at any time buy or sell any wild rice for which a license is required hereunder in excess of the amount covered by ~~his the~~ license. In case a licensee shall desire to buy or sell any wild rice in excess of ~~such the~~ amount, ~~he the licensee~~ shall before doing so make application for a supplemental license covering the increased amount of wild rice involved, and ~~such the~~ license shall be issued to ~~him~~ upon payment of the prescribed fee therefor, less credit for the fees paid for the previous license or licenses issued to ~~him hereunder~~ for the same calendar year. Upon the issuance of ~~such the~~ supplemental license, ~~such the~~ previous license or licenses shall be surrendered to the commissioner.

(5) The wilful making of a false statement in any application for a license under this subdivision or in any report required hereunder, or the wilful making

of a false entry in any record required hereunder, or any other violation of or failure to comply with any provision of this subdivision shall be a misdemeanor, punishable as provided by section 97.55, subdivision 1. Upon a second conviction within a period of three years of any person of any offense under this subdivision, any license hereunder then held by ~~him~~ *that person* shall immediately become null and void, and no such license shall be issued to ~~him~~ *that person* for one year after the date of ~~such~~ *the* conviction.

Sec. 304. Minnesota Statutes 1980, Section 98.46, Subdivision 19, is amended to read:

Subd. 19. Fees for the following licenses, to be issued to either residents or nonresidents, shall be:

(1) To buy fish from licensed commercial fishermen on Lake Superior:

(a) For the purpose of selling to retailers, ~~\$25~~ *\$50*;

(b) For the purpose of retail selling only, ~~\$5~~ *\$10*.

(2) To buy fish from licensed commercial fishermen on Lake of the Woods, Namakan, Sand Point, or Rainy Lake:

(a) Wholesale fish buyer's license, \$100;

(b) Fish buyer's license to ship from one place to another on international waters only, \$10.

(3) To tan or dress raw furs, ~~\$10~~ *\$15*;

(4) Fish peddler's license, to peddle with the use of a motor vehicle, any fish lawfully salable within the state, ~~\$5~~ *\$25*. It shall be unlawful to misrepresent the species of any fish sold by any licensed fish peddler or ~~his~~ *peddler's* employee. Upon conviction of misrepresentation of the species of fish sold by any fish peddler licensed hereunder or ~~his~~ *employee*, ~~his~~ *the* license shall be revoked, and ~~such~~ *the* licensee shall not be eligible to obtain a fish peddler's license for the period of one year after ~~said~~ *revocation*. Misrepresentation shall include the following acts in addition to any other acts constituting misrepresentation in fact: (1) The designation of any fish by any name other than its common name in Minnesota; (2) The designation of any fish by any other name than its common name in the locality where it was taken if it is not generally known by any common name in Minnesota.

Sec. 305. Minnesota Statutes 1980, Section 98.47, Subdivision 1, is amended to read:

Subdivision 1. Residents who have attained the age of 65 years may take fish by angling or spearing without a license. Residents under the age of 16 years may take fish ~~and trap for bearing animals except beaver or otter~~ without procuring a license. Residents under the age of 13 years may take small game without a license. Residents under the age of 16 years and over 12 may take small game provided they have in their possession while hunting a valid firearm safety certificate. Residents under 14 must be accompanied by a parent or guardian while hunting. No hunting license shall be issued to any resident under the age of 16, except that such residents who possess a valid certificate may purchase a big game hunting license. Nonresidents under the age of 16 years may take fish by angling without procuring a license, if their parent or legal guardian has obtained a nonresident fishing license. Fish so taken shall be

included in the daily and possession limit of the parent or legal guardian. Any nonresident under the age of 16 years who is attending a camp adjacent to any public waters of the state conducted by a social, charitable, or welfare organization or institution, not for profit, may take fish by angling in such waters or other adjacent waters without procuring a license, provided the organization or institution conducting the camp shall have a certificate from the commissioner that the camp is qualified hereunder, describing the waters affected as determined by the commissioner, and each such nonresident shall carry with him at all times while taking or attempting to take fish by angling in such waters a certificate identifying him and describing the waters, in such form as the commissioner shall prescribe, signed and dated by the officer or agent of the organization or institution in charge of the camp within the current calendar year.

Sec. 306. [97.4842] [TROUT STAMP.]

Subdivision 1. [STAMP REQUIRED.] No person over the age of 18 and under the age of 65 years who is otherwise required to possess a Minnesota fishing license shall take trout by angling in any trout stream within this state without first purchasing a stamp and having the stamp in his possession while angling for trout in any trout stream. Each stamp shall be validated by the signature of the licensee written across its face. The commissioner shall determine the form of the stamp and shall furnish and distribute stamps to county auditors for sale by them and their authorized subagents as prescribed by order of the commissioner. The commissioner shall encourage the purchase of stamps by any persons who are interested in the improvement of trout streams.

Subd. 2. [FEE.] A stamp shall be issued to each fishing license applicant or other person interested in improvement of trout streams upon the payment of a fee of \$3. Stamps shall be issued annually and shall be valid from March 1 through the last day of the following February.

Subd. 3. [USE OF REVENUE.] The commissioner shall approve projects for the following purposes:

(a) Development, restoration, maintenance or preservation of trout streams; and

(b) Necessary related administrative costs in an amount not to exceed ten percent of the annual deposits into the game and fish fund attributable to the sale of stamps.

Sec. 307. Minnesota Statutes 1980, Section 98.50, Subdivision 5, is amended to read:

Subd. 5. Any resident desiring to sell the licenses referred to in subdivision 1 may either purchase for cash or obtain on consignment license blanks from a county auditor in groups of not less than five non-resident, and ten resident license blanks. In addition to the basic license fee, he shall collect a fee for issuing each license in the amount of ~~75 cents~~ \$1 for the license to take deer and for the sportsman license authorized in section 98.46, subdivision 2a, and ~~50~~ 75 cents for all other licenses. The state migratory waterfowl stamp required by section 97.4841 shall be considered to be a "license" within the meaning of this subdivision except when such stamp and a small game license are issued in the same transaction in which case the stamp shall be considered a part of the small game license and only one issuing fee shall be collected. In selling such

licenses, he shall be deemed an agent of the county auditor and the commissioner, and he shall observe all rules and regulations promulgated by the commissioner for the accounting for and handling of such licenses.

The county auditor shall promptly deposit all moneys received from the sale of licenses with the county treasurer, and shall promptly transmit such reports as may be required by the commissioner, together with his warrant on the county treasurer for 100 percent of the surcharge imposed by section 97.482 plus 96 percent of the price to the licensee, exclusively of said surcharge and the issuing fee, for each license sold or consigned by him and subsequently sold to a licensee during the accounting period. The county auditor shall retain as his commission four percent of all license fees, excluding issuing fees for licenses consigned to subagents. In addition, for licenses sold for cash directly to the licensee, the auditor shall collect the same issuing fee as a subagent. Unsold license blanks in the hands of any agent shall be redeemed by the commissioner if presented for redemption within the time prescribed by the commissioner therefor. Any license blanks not presented for redemption within the period prescribed shall be conclusively presumed to have been sold, and the agent possessing the same or to whom they are charged shall be accountable therefor. The commissioner shall collect the same issuing fee as a subagent for licenses sold directly through a license distribution center operated by the department of natural resources. The issuing fees so collected by the commissioner shall be credited to the game and fish fund.

Sec. 308. Minnesota Statutes 1980, Section 99.28, Subdivision 5, is amended to read:

Subd. 5. The holder of any such license shall pay an annual license fee of ~~\$2.50~~ \$10 for any such farm upon which muskrats are taken on said owner's premises.

Sec. 309. Minnesota Statutes 1980, Section 100.273, Subdivision 7, is amended to read:

Subd. 7. In taking raccoon, *bobcat*, *coyote* or *fox* when treed or at bay on private land with the aid of dogs, a person while on foot may, without permission of the landowner, enter such private land to retrieve any dogs and then shall immediately leave the premises. During the season for taking big or small game, a hunter may on foot retrieve a wounded big or small game animal from agricultural land of another which is not posted pursuant to subdivision 6, without permission of the landowner, and shall then leave as soon as possible.

Sec. 310. Minnesota Statutes 1980, Section 100.35, Subdivision 1, is amended to read:

Subdivision 1. The fee for a shooting preserve license or permit shall be ~~\$50~~ \$75.

Sec. 311. Minnesota Statutes 1980, Section 100.35, Subdivision 5, is amended to read:

Subd. 5. All harvested game except ducks which are marked in accordance with regulations of the United States fish and wildlife service shall be tagged with a selfsealing tag to be issued by the department at a cost of ~~five~~ 15 cents. The tags shall be so numbered or otherwise identified that each preserve using them can be identified and ~~such~~ the tag shall be maintained on each bird shot

until either consumed on the premises or if removed therefrom, until actually prepared for consumption.

Sec. 312. Minnesota Statutes 1980, Section 101.44, is amended to read:

101.44 [FROGS; SEASON, REGULATION, LICENSES.]

Except as otherwise permitted, frogs may not be taken or possessed during the months of April and the first 15 days of May. During the open season, frogs not exceeding six inches in length, measured from tip of nose to tip of hind toes, legs fully extended, may be possessed in any numbers, bought, sold, and transported for angling purposes only. Except as otherwise provided under commissioner's regulations, not to exceed 150 frogs over six inches in length may be possessed in or transported through the state, except by common carrier, and may be possessed in any quantity and sold during the open season. It shall be unlawful to use cloth screens or other similar contrivances in catching frogs. Provided, the taking of frogs may be prohibited in ~~such~~ areas of the state and during ~~such~~ periods as the commissioner may by order prescribe. Provided, further, that no person shall be permitted to take or possess frogs unless legally entitled to take fish within the state. The commissioner shall establish regulations dealing with the purchase, possession and transportation of frogs for purposes other than bait. The fee for this license shall be ~~\$50~~ \$70 for resident; ~~\$150~~ \$200 for nonresidents. The commissioner may issue licenses to residents to take, possess, transport and sell frogs for purposes other than bait. The license fee shall be ~~\$2.50~~ \$10.

Sec. 313. Minnesota Statutes 1980, Section 116C.69, Subdivision 2, is amended to read:

Subd. 2. [SITE APPLICATION FEE.] Every applicant for a site certificate shall pay to the board a fee in an amount equal to \$500 for each \$1,000,000 of production plant investment in the proposed installation as defined in the Federal Power Commission Uniform System of Accounts. The board shall specify the time and manner of payment of the fee. If any single payment requested by the board is in excess of 25 percent of the total estimated fee, the board shall show that the excess is reasonably necessary. The applicant shall pay within 30 days of notification any additional fees reasonably necessary for completion of the site evaluation and designation process by the board. In no event shall the total fees required of the applicant under this subdivision exceed an amount equal to 0.001 of said production plant investment (\$1,000 for each \$1,000,000). All money received pursuant to this subdivision shall be deposited in ~~the general fund~~ a special account. ~~So much Money as is necessary in the account is annually appropriated from the general fund to the board to pay expenses incurred in processing applications for certificates in accordance with sections 116C.51 to 116C.69 and in the event the expenses are less than the fee paid, to refund the excess to the applicant. This annual appropriation shall not exceed the fees to be paid during each period.~~

Sec. 314. Minnesota Statutes 1980, Section 116C.69, Subdivision 2a, is amended to read:

Subd. 2a. [ROUTE APPLICATION FEE.] Every applicant for a transmission line construction permit shall pay to the board a base fee of \$35,000 plus a fee in an amount equal to \$1,000 per mile length of the longest proposed route. The board shall specify the time and manner of payment of the fee. If any

single payment requested by the board is in excess of 25 percent of the total estimated fee, the board shall show that the excess is reasonably necessary. In the event the actual cost of processing an application up to the board's final decision to designate a route exceeds the above fee schedule, the board may assess the applicant any additional fees necessary to cover the actual costs, not to exceed an amount equal to \$500 per mile length of the longest proposed route. All money received pursuant to this subdivision shall be deposited in the ~~general fund a special account. So much Money as is necessary in the account is annually appropriated from the general fund to the board to pay expenses~~ incurred in processing applications for construction permits in accordance with sections 116C.51 to 116C.69 and in the event the expenses are less than the fee paid, to refund the excess to the applicant. ~~This annual appropriation shall not exceed the fees to be paid during each period.~~

Sec. 315. Minnesota Statutes 1980, Section 116C.69, Subdivision 3, is amended to read:

Subd. 3. [FUNDING; ASSESSMENT.] The board shall finance its base line studies, general environmental studies, development of criteria, inventory preparation, monitoring of conditions placed on site certificates and construction permits, and all other work, other than specific site and route designation, from an assessment made ~~annually~~ *quarterly, at least 30 days before the start of each quarter*, by the board against all utilities. Each share shall be determined as follows: (1) the ratio that the annual retail kilowatt-hour sales in the state of each utility bears to the annual total retail kilowatt-hour sales in the state of all such utilities, multiplied by 0.667, plus (2) the ratio that the annual gross revenue from retail kilowatt-hour sales in the state of each utility bears to the annual total gross revenues from retail kilowatt-hour sales in the state of all such utilities, multiplied by 0.333, as determined by the board. The assessment shall be credited to the general fund and shall be paid to the state treasury within 30 days after receipt of the bill, which shall constitute notice of said assessment and demand of payment thereof. The total amount which may be assessed to the several utilities under authority of this subdivision shall not exceed the annual budget of the board for carrying out the purposes of this subdivision. *The assessment for the second quarter of each fiscal year shall be adjusted to compensate for the amount by which actual expenditures by the board for the preceding fiscal year were more or less than the estimated expenditures previously assessed.*

Sec. 316. Minnesota Statutes 1980, Section 116F.06, Subdivision 2, is amended to read:

Subd. 2. The agency shall review new or revised packages or containers except when such changes involve only color, size, shape or printing. The agency shall review innovations including, but not limited to, changes in constituent materials or combinations thereof and changes in closures. When the agency determines that any new or revised package or container would constitute a solid waste disposal problem or be inconsistent with state environmental policies, the manufacturer of the product may withdraw it from further consideration until such time as the manufacturer may resubmit such product to the agency, or, the agency may, by order made after notice and hearing as provided in chapter 15, and following an additional period not to exceed 30 days during which the environmental quality board may review the proposed action, prohibit the sale of the package or container in the state. Any such

prohibition shall continue in effect until revoked by the agency or until the last legislative day of the next following legislative session, whichever occurs first, unless extended by law. This subdivision shall not apply to any package or container sold at retail in this state prior to final enactment of sections 116F.01 to 116F.08 September 7, 1979.

Sec. 317. Minnesota Statutes 1980, Section 139.16, is amended to read:

139.16 [PUBLIC TELEVISION GRANTS; PURPOSE.]

The purpose of sections 139.16 to 139.18 is to facilitate the use of public television as a community resource for the public by providing financial assistance to public television stations serving Minnesota citizens, and to provide for cooperation between public television station officials and the board of the arts department of administration.

Sec. 318. Minnesota Statutes 1980, Section 139.17, is amended to read:

139.17 [DEFINITIONS.]

Subdivision 1. As used in sections 139.16 to ~~139.18~~ 139.19, the terms defined in this section have the meanings here given them.

Subd. 2. "Public station" means a ~~licensee of the federal communications commission~~ station holding a license or operating under a program test authority from the Federal Communications Commission as a noncommercial educational television broadcast station within this state or a station outside the state which received funds under section 139.18 in 1976.

Sec. 319. Minnesota Statutes 1980, Section 139.17, is amended by adding a subdivision to read:

Subd. 3. [COMMISSIONER.] "Commissioner" means the commissioner of administration.

Sec. 320. Minnesota Statutes 1980, Section 139.18, Subdivision 1, is amended to read:

Subdivision 1. The ~~board of the arts~~ commissioner shall distribute the funds money provided by sections 139.16 to 139.18. Twice annually the ~~board of the arts~~ commissioner shall make block grants which shall be distributed in equal amounts to public stations for operational costs. The ~~board of the arts~~ commissioner shall allocate funds money appropriated for the purposes of sections 139.16 to 139.18 in such a manner that each eligible public station receives a block grant. In addition, the ~~board of the arts~~ commissioner shall make matching grants to public stations. Matching grants shall be used for operational costs and shall be allocated using the procedure developed for distribution of state money under this section for grants made in fiscal year 1979. No station's matching grant in any fiscal year shall exceed the amount of Minnesota based contributions received by that station in the previous fiscal year.

Sec. 321. Minnesota Statutes 1980, Section 139.18, Subdivision 3, is amended to read:

Subd. 3. Each educational station receiving a grant shall annually report by July 1 to the ~~board of the arts~~ commissioner the purposes for which the funds were money was used in the past fiscal year and the anticipated use of the funds money in the next fiscal year. The report shall be certified by an independent

auditor or a certified public accountant. If the report is not submitted by September 1, the ~~board of the arts commissioner~~ may withhold from the educational station 45 percent of the amount to which it was entitled based upon the contribution of the previous fiscal year, and may redistribute ~~these funds~~ that money to other educational stations.

Sec. 322. Minnesota Statutes 1980, Section 139.18, Subdivision 4, is amended to read:

Subd. 4. ~~In designating The board of the arts as the administrative agency to distribute these funds, the legislature recognizes that this is strictly an administrative function unrelated to the artistic and cultural mandate of the board. In future years, the board may develop program categories and funding programs in television, film and other public media, which shall not be limited, prohibited or otherwise affected by the board's serving the specific administrative functions under the terms of sections 139.16 to 139.18.~~

Sec. 323. Minnesota Statutes 1980, Section 139.19, Subdivision 3, is amended to read:

Subd. 3. [STATION ELIGIBILITY.] To qualify for a grant under this section, a noncommercial radio station shall:

(a) Hold a valid noncommercial educational radio station license or program test authority from the Federal Communications Commission;

(b) Have facilities adequate to provide local program production and origination;

(c) Employ a minimum of two full time professional radio staff persons or the equivalent in part-time staff and agree to employ a minimum of two full time professional radio staff persons or the equivalent in part-time staff throughout the fiscal year of the grant;

(d) Maintain a minimum daily broadcasting schedule of (1) the maximum allowed by its Federal Communications Commission license or (2) 12 hours a day during the first year of eligibility for state assistance, 15 hours a day during the second year of eligibility and 18 hours a day during the third and following years of eligibility;

(e) Broadcast 365 days a year or the maximum number of days allowed by its Federal Communications Commission license;

(f) Have a daily broadcast schedule devoted primarily to programming that serves ascertained community needs of an educational, informational or cultural nature within its primary signal area; however, a program schedule of a main channel carrier designed to further the principles of one or more particular religious philosophies or including 25 percent or more religious programming on a broadcast day does not meet this criterion, nor does a program schedule of a main channel carrier designed primarily for in-school or professional in-service audiences;

(g) Originate significant, locally produced programming designed to serve its community of license;

(h) Have a total annual operating income and budget of at least \$50,000;

(i) Have either a board of directors representing the community or a com-

munity advisory board that conducts advisory board meetings that are open to the public;

(j) Have a board of directors that: (1) holds the portion of any meeting relating to the management or operation of the radio station open to the public and (2) permits any person to attend any meeting of the board without requiring a person, as a condition to attendance at the meeting, to register the person's name or to provide any other information; and

(k) Have met the criteria in clauses (a) to (j) for six months before it is eligible for state assistance under this section.

The ~~board of the arts~~ commissioner shall accept the judgment of Corporation for Public Broadcasting accepted audit when it is available on a station's eligibility for assistance under the criteria of this subdivision. If the applicant station is not qualified for assistance from the Corporation for Public Broadcasting, an independent audit is required.

Sec. 324. Minnesota Statutes 1980, Section 139.19, Subdivision 4, is amended to read:

Subd. 4. [APPLICATION:] To be eligible for a grant under this section, a station shall submit an application to the ~~board of the arts~~ commissioner within the deadline prescribed by the ~~board~~ commissioner. It shall also submit, within the deadline prescribed by the ~~board~~ commissioner, its audited financial records for the fiscal year preceding the year for which the grant will be made.

Sec. 325. Minnesota Statutes 1980, Section 139.19, Subdivision 5, is amended to read:

Subd. 5. [GRANTS.] (a) The ~~board of the arts~~ commissioner shall determine eligibility for grants and the allocation of grant ~~funds~~ money on the basis of audited financial records for the applicant station's fiscal year preceding the year in which the grant is made, as well as on the basis of the other requirements set forth in this section. The ~~board~~ commissioner shall annually distribute grants to all stations that comply with the eligibility requirements and apply for a grant. The ~~board of the arts~~ commissioner may promulgate rules to implement this section. For this purpose the ~~board of the arts~~ commissioner may promulgate temporary rules pursuant to section 15.0412, subdivision 5. An applicant's share of the grant money shall be based on:

(1) The amount received in the preceding year by the station in private non-tax generated contributions from sources within the state; no contributions made for the purpose of capital expenditures shall be counted; and

(2) The dollar value in the preceding year of contributions of volunteer time to station operations, provided that the volunteer time was not used for the purpose of raising money for the station. Volunteer time shall be valued at the federal minimum wage per hour. A station's total allocation for volunteer time shall not exceed 20 percent of its total grant pursuant to this section.

(b) The ~~board of the arts~~ commissioner shall match every verified contribution dollar under paragraph (a), clause (1) and volunteer time dollar, as calculated under paragraph (a), clause (2), with two state dollars for each eligible applicant until the applicant station has received \$10,000 in grant money under this section, and thereafter grant money shall be distributed on a dollar for dollar basis until the total amount appropriated for that year has been dis-

tributed equally among all applicants. A station may receive state matching money only until the station's total verified contribution and volunteer time has been matched or the amount of the grant received equals one-third of the station's total operating income for the previous fiscal year.

(c) A station may use grant money under this section for any radio station expenses.

Sec. 326. Minnesota Statutes 1980, Section 139.19, Subdivision 6, is amended to read:

Subd. 6. [AUDIT.] A station that receives a grant under this section shall have an audit of its financial records made by an independent auditor or Corporation for Public Broadcasting accepted audit at the end of the fiscal year for which it received the grant. The audit shall include a review of station promotion, operation, and management and an analysis of the station's use of the grant money. A copy of the audit shall be filed with the ~~board of the arts~~ *commissioner*.

Sec. 327. Minnesota Statutes 1980, Section 176.131, Subdivision 10, is amended to read:

Subd. 10. The special compensation fund is created for the purposes provided in this chapter in the following manner:

(1) In every case of death of an employee resulting from personal injury arising out of and in the course of employment where there are no persons entitled to monetary benefits of dependency compensation, the employer shall pay to the commissioner of labor and industry the sum of \$5,000 for the benefit of the special compensation fund; in every case of death of an employee resulting from personal injury arising out of and in the course of employment where there are no persons entitled to at least \$5,000 in monetary benefits of dependency compensation, the employer shall pay to the commissioner of labor and industry for the benefit of the special compensation fund the difference between the amounts actually paid for the dependency benefits and \$5,000; but in no event shall the employer pay the commissioner of labor and industry less than \$1,000;

(2) When an employee suffers a personal injury which results in permanent partial disability, temporary total disability, temporary partial disability, permanent total disability or death and which entitles him or dependents to compensation under sections 176.101 or 176.111, the employer shall in addition to compensation provided therein, pay to the commissioner of labor and industry for the benefit of the special compensation fund a lump sum without interest deduction equal to seven percent of the total compensation, as soon as the amount payable for the particular injury is determined, or arrived at by agreement of the parties and the amount is approved by the commissioner of labor and industry.

The provisions of clauses (1) and (2) shall apply to all workers' compensation payments, exclusive of medical costs, paid under sections 176.101 and 176.111 for all injuries or death occurring on or after June 1, 1971.

Personal injuries that occurred prior to June 1, 1971 shall be assessed at the rate in effect on the date of occurrence.

The seven percent of the total compensation required to be paid by the

employer to the commissioner of labor and industry for the benefit of the special compensation fund as provided in clause (2) of this subdivision shall remain fixed at said seven percent for the period from June 1, 1971, to June 1, 1972. Effective June 1, 1972, through June 1, 1975, and thereafter on January 1, beginning in 1976, the rate shall be adjusted on the following basis: if the balance in the special compensation fund as of April 30 in any year through 1975 and as of September 30, 1975, and each September 30 thereafter, is below \$1,000,000, the rate of payment shall be increased by two percent over the then prevailing rate. If the balance is at least \$1,000,000 but below \$1,500,000, the rate will be increased by one percent. If the balance is at least \$1,500,000 but below \$2,000,000, there shall be no change. If the balance is at least \$2,000,000 but less than \$2,500,000, the rate shall be decreased by one percent. If the balance is at least \$2,500,000, the rate shall be decreased by two percent. If the balance is \$3,000,000 or more the commissioner of labor and industry shall within 30 days determine the percent of decrease, which shall be not less than two percent nor more than five percent.

Sums paid to the commissioner of labor and industry pursuant to the provisions hereof, shall be deposited with the state treasurer for the benefit of the special compensation fund and be used to pay the benefits provided by this chapter. All money heretofore arising from the provisions of this section or similar law shall be transferred to this special compensation fund. Any interest or profit accruing from investment of these sums shall be credited to the special compensation fund.

The state treasurer shall be the custodian of this special fund and the workers' compensation division and the workers' compensation court of appeals in cases before it shall direct the distribution thereof, the same to be paid as other payments of compensation are paid. In case deposit is or has been made under the provisions of clause (1) and dependency later is shown, or if deposit is or has been made pursuant to either clause (1) or (2) by mistake or inadvertence, or under circumstances that justice requires a refund thereof, the state treasurer is authorized to refund the deposit under order of the workers' compensation division or the workers' compensation court of appeals. There is appropriated to the persons entitled to the refunds from the fund an amount sufficient to make the refund and payment.

Costs within the department of labor and industry for the accounting, investigation, and legal procedures necessary for administration of the programs financed by the special compensation fund shall be paid from the moneys biennially appropriated to the department and not from the special compensation fund come as appropriated from the fund during each biennium commencing July 1, 1981. Staffing and expenditures related to the administration of the special compensation fund shall be approved through the regular budget and appropriations process.

Sec. 328. Minnesota Statutes 1980, Section 176.183, Subdivision 2, is amended to read:

Subd. 2. Upon a warrant prepared by The commissioner of the department of labor and industry and approved by the commissioner of finance, and, in accordance with the terms of the order awarding compensation, the state treasurer shall pay compensation to the employee or his dependent from the special compensation fund. The commissioner of the department of labor and industry

shall certify to the ~~state treasurer~~ *commissioner of finance* and to the legislature ~~at the end of each biennium~~ *annually* the total amount of compensation paid from the special compensation fund under subdivisions 1 and 1a. The ~~state treasurer~~ *commissioner of finance* shall upon proper certification reimburse the special compensation fund ~~from the general fund~~ the total amount certified as paid under this section.

Sec. 329. Minnesota Statutes 1980, Section 179.71, Subdivision 2, is amended to read:

Subd. 2. The director shall accept and investigate all petitions for:

(a) certification or decertification as the exclusive representative of an appropriate unit;

(b) mediation services;

(c) any election or other voting procedures provided for in sections 179.61 to 179.76;

(d) certification to the board of arbitration;

(e) *upon the receipt of a \$10 filing fee*, to hear and decide all issues in a fair share fee challenge.

Sec. 330. Minnesota Statutes 1980, Section 223.03, as amended by Laws 1981, Chapter 90, Section 3, is amended to read:

223.03 [LICENSES, APPLICATION, BONDS, CONDITIONS.]

The application for license shall be in writing, state the commodities for which license to sell is wanted, also the cities or other location in the state where applicant intends to do business, and give the business address of the applicant and the estimated volume of business to be done monthly. The bond shall be conditioned for the faithful performance of ~~his~~ *the* duties ~~as of~~ commission merchant. Separate licenses shall be required for each city or location at which consignments are received and disposed of by ~~such~~ *the* commission merchant, and the licenses shall be kept posted in each office of licensee. All licenses shall expire ~~May thirty-first~~ *June 30* of each year. The fee for each license shall be ~~\$50~~ *\$65*. ~~Such~~ A license may be revoked by the department for cause, upon notice and hearing. All moneys collected under this chapter shall be deposited in the state treasury.

Sec. 331. Minnesota Statutes 1980, Section 231.16, is amended to read:

231.16 [WAREHOUSEMAN TO OBTAIN LICENSE.]

Every person desiring to engage in the business of warehouseman, before engaging therein, shall be licensed annually by, and shall be under the supervision and subject to the inspection of, the department. Written application in ~~such the form as shall be~~ prescribed by the department shall be made to the department for license, specifying the city in which it is proposed to carry on the business of warehousing, the location, size, character, and equipment of the buildings or premises to be used by the warehouseman, the kind of goods, wares, and merchandise intended to be stored therein, the name of the person or corporation operating the same, and of each member of the firm or officer of the corporation, and any other facts necessary to satisfy the department that the property proposed to be used is suitable for warehouse purposes and that the

warehouseman making the application is qualified to carry on the business of warehousing. Should the department decide that the building or other property proposed to be used as a warehouse is suitable for the proposed purpose and that the applicants are entitled to a license, notice of ~~such the~~ decision shall be given the interested parties and, upon the applicants filing with the department the necessary bond, as provided for in this chapter, the department shall issue the license provided for, upon payment of the license fee, as in this section provided. A warehouseman to whom a license is issued shall pay for ~~such the~~ license a fee based on the storage capacity of the warehouse as follows:

Storage capacity in square feet:

(1) 5,000 or less	\$ 50 \$65
(2) Over 5,000 to 10,000	\$100 \$125
(3) Over 10,000 to 20,000	\$150 \$200
(4) Over 20,000 to 100,000	\$200 \$250
(5) Over 100,000 to 200,000	\$250 \$325
(6) Over 200,000	\$300 \$375.

~~Such~~ The license ~~may~~ shall be renewed ~~from year to year but shall never be valid for a period of more than one year annually on June 30,~~ and always upon payment of the full license fee, as provided for in this section for such renewal; and no license shall be issued for any portion of a year for less than the full amount of the license fee, as provided for in this section. Each license obtained under this chapter shall be publicly displayed in the main office of the place of business of the warehouseman to whom it is issued. ~~Such~~ The license shall authorize the warehouseman to carry on the business of warehousing only in the one city or town named in the application and in the buildings therein described. The department, without requiring an additional bond and license, may issue permits from time to time to any warehouseman already duly licensed under the provisions of this chapter to operate an additional warehouse in the same city or town for which his original license was issued during the term thereof, upon his filing an application for ~~such a~~ permit in ~~such the~~ form as shall be prescribed by the department.

License may be refused for good cause shown and revoked by the department for violation of law or of any rule or regulation by it prescribed, upon notice and after hearing.

Sec. 332. Minnesota Statutes 1980, Section 232.02, Subdivision 1, is amended to read:

Subdivision 1. Any person, firm, or corporation, operating a public or private local grain warehouse shall be licensed to buy grain annually by the department. Application for license must be filed with the department and the license issued before transacting warehouse business. The fee shall be ~~\$25~~ \$35 for each private local grain warehouse license issued and a license shall be required for each warehouse operated. ~~For the purpose of distributing the work of issuing licenses, the department may, beginning July 1, 1968, and until July 1, 1970, issue the licenses provided for in this section for periods of not less than three months nor more than twelve months and prorate the fee for such license according to the length of time for which the license is issued. Thereafter,~~ Licenses shall expire ~~one year from the date of issuance annually on June 30.~~

Sec. 333. Minnesota Statutes 1980, Section 232.02, Subdivision 2, is

amended to read:

Subd. 2. Any person, firm or corporation operating a public local grain warehouse shall be licensed annually by the department; ~~said the license shall cover both the buying and storing of grain. Application for such the license must be filed with the department and the license issued before the licensee may either buy or store grain. For the purpose of distributing the work of issuing licenses, the department may, beginning July 1, 1968, and until July 1, 1970, issue the licenses provided for in this section for periods of not less than three months nor more than twelve months and prorate the fee for such licenses according to the length of time for which the license is issued. Thereafter, All licenses shall expire one year from the date of issuance annually on June 30. The fee for the issuance of such the license shall be as follows: for all warehouses under 100,000 bushels capacity — \$30 \$40; if the capacity is 100,000 bushels or over but under 500,000 bushels — \$45 \$60; if the capacity is 500,000 bushels or over — \$60 \$75. The fees collected under this section shall be paid into the state treasury and credited to the general fund. Such A license shall be revocable by the department for cause upon notice and hearing. All licenses, grade rules, and all rules regulating public or private local grain warehouses shall, upon receipt thereof by the warehouseman, be posted in a protected place in the driveway to his the warehouse.~~

Sec. 334. Minnesota Statutes 1980, Section 232.02, Subdivision 3, is amended to read:

Subd. 3. Any person, firm, or corporation, other than a licensed warehouseman, who shall purchase grain from the owner thereof for the purpose of resale shall first procure a license therefor from the department before transacting such business and shall be subject to the same laws, rules, and regulations as may govern local grain warehousemen insofar as they may apply. The fee for each such buyer's license shall be \$20 \$25. ~~For the purpose of distributing the work of issuing licenses, the department may, beginning July 1, 1968, and until July 1, 1970, issue the licenses provided for in this section for periods of not less than three months nor more than twelve months and prorate the fee for such licenses according to the length of time for which the license is issued. Thereafter, All licenses shall expire one year from the date of issuance annually on June 30.~~ Truck grain buyers using trucks or tractor-trailer units shall obtain a separate license for each truck or tractor-trailer unit used in such grain buying. Before any license shall be issued the applicant therefor shall file with the department a bond to the state with a corporate surety, approved by the department, in a penal sum to be prescribed by the department, but not less than \$3,000 for each such truck and not less than \$5,000 for each tractor-trailer unit used in grain buying, conditioned that the applicant will pay upon demand to ~~such the owner the purchase price of such the grain. Said The~~ bond is to provide coverage or security for the protection of the public required with respect to truck grain buyers, regardless of whether the motor vehicles used by the licensee are specifically licensed as required by this section.

Sec. 335. Minnesota Statutes 1980, Section 233.08, is amended to read:

233.08 [LICENSE.]

No public terminal warehouse shall be operated or receive grain for storage, either to be mixed with the grain of other parties of like grade, or in separate bins, until the owners or parties in charge and operating ~~such the~~ warehouse

shall first obtain a license from the department authorizing ~~such~~ the warehouseman to operate ~~such a~~ warehouse under the provisions of this chapter. All licenses issued or renewed annually shall expire at midnight on the 30th day of June next following the date of issuance or renewal. Before any ~~such~~ license shall be issued, written application ~~under oath~~ shall be made to the department for license specifying the kind of warehouse, the nature of its construction, its capacity and location, the name of the firm or corporation operating the same and each member of the firm or officer of the corporation and ~~such~~ other facts as the department may require shall be contained in ~~such the~~ application. The application shall be acted upon with reasonable dispatch by the department; and, if no reason exists for refusing the same, ~~such a~~ license may be issued upon the payment of the fee of ~~\$50 \$60~~ for each elevator. ~~Such~~ The application shall be granted only upon the warehouseman furnishing to the department a bond to the state of Minnesota, to be approved by the department, in a penal sum to be fixed by the department but not less than \$50,000 for each warehouse, which shall be conditioned for the faithful discharge of ~~his the~~ duties ~~as~~ ~~such of~~ warehouseman and full compliance with all the laws of the state and rules of the department relative to the operation of public terminal warehouses and for the delivery to parties storing grain in such warehouses under the terms of this chapter of the grain or an equal amount of the same kind and grade so stored or the payment therefor of the value of ~~such the~~ grain in case of failure to make ~~such the~~ delivery. ~~Such~~ The license may be revoked by the department for violation of the law or any rule or regulation prescribed by the department, but shall only be revoked upon a written notice or complaint specifying the charges and after a hearing had before the department. A license may be refused to any warehouseman whose license has been revoked within the preceding year. All moneys collected for license fees shall be deposited with the state treasurer. If ~~such a~~ warehouseman applies for a license for more than one warehouse in the same county, but one bond need be furnished but the same shall in all cases be in proportion to the capacity of ~~such all~~ warehouses.

Sec. 336. [270.063] [COLLECTION OF DELINQUENT TAXES.]

For the purpose of collecting delinquent state tax liabilities from taxpayers who do not reside or are not located in Minnesota, there is appropriated to the commissioner of revenue an amount representing the cost of collection, not to exceed one-third of the amount collected by contract with collection agencies to enable the commissioner to reimburse these agencies for this service. The commissioner shall report quarterly on the status of this program to the chairmen of the house tax and appropriation committees and senate tax and finance committees.

Sec. 337. Minnesota Statutes 1980, Section 270.66, is amended to read:

270.66 [RIGHT OF SETOFF.]

Upon certification by the commissioner of revenue to the commissioner of finance that a taxpayer has an uncontested delinquent tax liability owed to the commissioner of revenue, and notice that the state has purchased personal services, supplies, contract service, or purchased property from said taxpayer, the commissioner of finance shall apply to such delinquent tax liability funds sufficient to satisfy such unpaid tax liability from funds appropriated for payment of said obligation of the state or any of its agencies that are due and owing the taxpayer, provided however, that such credit shall not be made against any

funds exempt under section 550.37 or owed the taxpayer under the provisions of chapter 256 or 256B.

All funds, whether general or dedicated, shall be subject to setoff in the manner herein provided. Transfer of funds as herein provided is payment of the obligation of the state or any of its agencies to such taxpayer and any actions for said funds, if any, shall be had against the department of revenue on the issue of such tax liability. Nothing in this section shall be construed to limit the previously existing right of the state or any of its agencies to setoff.

Notwithstanding any provision to the contrary, every person, organization, or corporation doing business (hereafter called vendor) with the state of Minnesota or any of its departments, agencies, or educational institutions including the University of Minnesota (all hereafter called agency) shall provide that agency with their social security number or Minnesota tax identification number. The agency shall maintain records of this information, and shall make these records available to the commissioner, upon his request, for the sole purpose of identifying people who have not filed state tax returns or who have not paid uncontested state tax liabilities (hereafter called delinquent taxpayer). When an agency is notified by the commissioner that a vendor is a delinquent taxpayer, payments shall not be made by the agency to the vendor until the commissioner notifies the agency that the vendor no longer is a delinquent taxpayer. The commissioner shall determine that a vendor no longer is a delinquent taxpayer when the vendor has filed all delinquent state tax returns, paid all uncontested state tax liabilities or entered into an agreement with the commissioner which provides for the payment of these liabilities. The commissioner may notify an agency concerning a vendor, notwithstanding the provisions of sections 290.61 or 297A.43.

Sec. 338. Minnesota Statutes 1980, Section 271.02, is amended to read:

271.02 [OFFICERS.]

The judges of the tax court shall choose a chief judge of the tax court. The chief judge of the tax court shall appoint one of the judges to serve as the administrator, who shall be custodian of the court's files and records and shall coordinate and make hearing assignments. The administrator may appoint ~~up to two~~ employees who shall be in the unclassified service. The judge who is appointed the administrator may delegate his duties as administrator to the employees whom he has appointed and may select one employee to act in his place as the assistant administrator. The clerk of district court in each county shall be the clerk of the tax court in that county. Filing fees and library fees deposited with the clerk of district court in his capacity as clerk of the tax court and in cases originally commenced in district court and transferred to the tax court shall be retained by the clerk of district court. The tax court clerk in each county shall be subject to the supervision of the administrator in tax court matters.

Sec. 339. Minnesota Statutes 1980, Section 284.28, Subdivision 8, is amended to read:

Subd. 8. There is established in the state treasury a real estate assurance account. This account is composed of money appropriated by the legislature for this purpose and all money deposited in the state treasury and credited to the account. Money in the state treasury credited to the real estate assurance ac-

count from all sources is annually appropriated to the state treasurer for the purpose of paying claims ordered by the district court to be paid from the fund. At the time of sale of a parcel of tax forfeited land, the county auditor shall charge and collect in full an amount equal to three percent of the total sale price of land. Before filing a notice of expiration of time for redemption, in cases where an auditor's certificate of sale or a state assignment certificate has been issued, the county auditor shall charge and collect in full from the holder of the certificate an amount equal to three percent of the appraised value of the property for tax purposes. The amounts so collected by the auditor shall be deposited in the state treasury and credited to the real estate assurance account. Income earned from moneys in the account shall be credited to the account. The state treasurer may separately invest account moneys. *The unobligated balance in the real estate assurance account in excess of \$100,000, as of July 1 of each fiscal year, shall be cancelled into the general fund.*

In determining compensation for the unjust deprivation suffered by the claimant, which may include severance damages sustained if the claimant owns adjoining land, the court shall take into account delinquent taxes, penalties, costs, and interest which would have been due and owing if the claimant had redeemed the land.

No claimant shall recover the value of improvements made to the land by other persons or the increment in value of land that occurs after the claimant has actual notice of the forfeiture proceeding. All claims against the real estate assurance account and ordered by the district court to be paid therefrom shall be obligations of the state and shall be paid out of the first moneys coming into the assurance fund from legislative appropriations, the collection of money by county auditors or from any other sources as provided by law.

Sec. 340. Minnesota Statutes 1980, Section 290.431, is amended to read:

290.431 [NON-GAME WILDLIFE CHECKOFF.]

Effective with returns filed for taxable years beginning after December 31, 1979, every person who files an income tax return or property tax refund claim form may designate that \$1 or more shall be *added to the tax or* deducted from the refund that would otherwise be payable *by or to* that person and paid into a ~~fund~~ *an account* to be established for the management of non-game wildlife. The commissioner of revenue shall, on the first page of the income tax return and the property tax refund claim form, notify filers of their right to designate that a portion of their *tax or* refund shall be paid into the non-game wildlife management ~~fund~~ *account*. The sum of the amounts so designated to be paid shall be ~~annually appropriated from the general fund to the commissioner of natural resources and~~ credited to the non-game wildlife management ~~fund~~ *account* for use by the non-game section of the division of wildlife in the department of natural resources. *The commissioner of natural resources shall submit a work program for each fiscal year and semi-annual progress reports to the legislative commission on Minnesota resources in the form determined by the commission. None of the money provided in this section may be expended unless the commission has approved the work program.*

Sec. 341. Minnesota Statutes 1980, Section 300.49, Subdivision 1, is amended to read:

Subdivision 1. [PAID TO STATE TREASURER.] Domestic corporations

shall pay to the state treasurer the following fees:

(1) For filing articles of incorporation, ~~\$62.50~~ \$70 for the first \$25,000 or fraction thereof of the par value of its authorized shares, and \$1.25 for each additional \$1,000 or fraction thereof;

(2) For filing an instrument extending or renewing corporate existence, ~~\$40~~ \$15;

(3) For filing any amendment of articles of incorporation increasing the authorized number of shares, or the par value of shares previously authorized, or both, \$1.25 for each \$1,000 or fraction thereof of such increase.

Sec. 342. Minnesota Statutes 1980, Section 301.071, Subdivision 2, is amended to read:

Subd. 2. In addition to the fees prescribed in subdivision 1, a fee of ~~\$40~~ \$15 shall be paid to the secretary of state for filing any instrument required to be filed under the provisions of this chapter. The fee shall be paid at the time the service is performed.

Sec. 343. The bill enacted at the 1981 session of the legislature known as S.F. No. 120, Section 1, Subdivision 11, is amended to read:

Subd. 11. [FILED WITH THE SECRETARY OF STATE.] "Filed with the secretary of state" means that an original of a document meeting the applicable requirements of sections 1 to 125, signed, and acknowledged or verified in the manner provided in chapter 358, and accompanied by a filing fee of ~~\$40~~ \$15, has been delivered to the secretary of state of this state. The secretary of state shall endorse on the original the word "Filed" and the month, day, year, and time of filing, record the document in the office of the secretary of state, and return the document to the person who delivered it for filing.

Sec. 344. The bill enacted at the 1981 session of the legislature known as S.F. No. 120, Section 19, is amended to read:

Sec. 19. [302A.153] [EFFECTIVE DATE OF ARTICLES.]

Articles of incorporation are effective and corporate existence begins when the articles of incorporation are filed with the secretary of state accompanied by a payment of ~~\$60~~ \$85, which includes a ~~\$50~~ \$70 incorporation fee in addition to the ~~\$40~~ \$15 filing fee required by section 1, subdivision 11. Articles of amendment are effective when filed with the secretary of state or at another time within 30 days after filing if the articles of amendment so provide.

Sec. 345. Minnesota Statutes 1980, Section 322A.16, is amended to read:

322A.16 [FILING IN OFFICE OF SECRETARY OF STATE.]

(a) Two signed copies of the certificate of limited partnership and of any certificates of amendment or cancellation (or of any judicial decree of amendment or cancellation) shall be delivered to the secretary of state. A person who executes a certificate as an agent or fiduciary need not exhibit evidence of his authority as a prerequisite to filing. Unless the secretary of state finds that any certificate does not conform to law, upon receipt of ~~all filing fees required by law~~ a \$10 filing fee he shall:

(1) endorse on each duplicate original the word "Filed" and the day, month and year of the filing thereof;

(2) file one duplicate original in his office; and

(3) return the other duplicate original to the person who filed it or his representative.

(b) Upon the filing of a certificate of amendment (or judicial decree of amendment) in the office of the secretary of state, the certificate of limited partnership shall be amended as set forth therein, and upon the effective date of a certificate of cancellation (or a judicial decree thereof), the certificate of limited partnership is cancelled.

Sec. 346. Minnesota Statutes 1980, Section 322A.71, is amended to read:

322A.71 [ISSUANCE OF REGISTRATION.]

(a) If the secretary of state finds that an application for registration conforms to law and ~~all requisite fees have~~ *a \$10 filing fee has* been paid, he shall:

(1) endorse on the application the word "Filed", and the month, day and year of the filing thereof;

(2) file in his office a duplicate original of the application; and

(3) issue a certificate of registration to transact business in this state.

(b) The certificate of registration, together with a duplicate original of the application, shall be returned to the person who filed the application or his representative.

Sec. 347. Minnesota Statutes 1980, Section 336.9-403, is amended to read:

336.9-403 [WHAT CONSTITUTES FILING; DURATION OF FILING; EFFECT OF LAPSED FILING; DUTIES OF FILING OFFICER.]

(1) Presentation for filing of a financing statement and tender of the filing fee or acceptance of the statement by the filing officer constitutes filing under this article.

(2) Except as provided in subsection (6) a filed financing statement is effective for a period of five years from the date of filing. The effectiveness of a filed financing statement lapses on the expiration of the five year period unless a continuation statement is filed prior to the lapse. If a security interest perfected by filing exists at the time insolvency proceedings are commenced by or against the debtor, the security interest remains perfected until termination of the insolvency proceedings and thereafter for a period of 60 days or until expiration of the five year period, whichever occurs later regardless of whether the financing statement filed as to that security interest is destroyed by the filing officer pursuant to subsection (3). Upon lapse the security interest becomes unperfected, unless it is perfected without filing. If the security interest becomes unperfected upon lapse, it is deemed to have been unperfected as against a person who became a purchaser or lien creditor before lapse.

(3) A continuation statement may be filed by the secured party within six months prior to the expiration of the five year period specified in subsection (2). Any such continuation statement must be signed by the secured party, identify the original statement by file number, and state that the original statement is still effective. A continuation statement signed by a person other than the secured party of record must be accompanied by a separate written statement of assignment signed by the secured party of record and complying

with subsection (2) of section 336.9-405, including payment of the required fee. Upon timely filing of the continuation statement, the effectiveness of the original statement is continued for five years after the last date to which the filing was effective whereupon it lapses in the same manner as provided in subsection (2) unless another continuation statement is filed prior to such lapse. Succeeding continuation statements may be filed in the same manner to continue the effectiveness of the original statement. Unless a statute on disposition of public records provides otherwise, the filing officer may remove a lapsed statement from the files and destroy it immediately if he has retained a microfilm or other photographic record, or in other cases after one year after the lapse. The filing officer shall so arrange matters by physical annexation of financing statements to continuation statements or other related filings, or by other means, that if he physically destroys the financing statements of a period more than five years past, those which have been continued by a continuation statement or which are still effective under subsection (6) shall be retained. If insolvency proceedings are commenced by or against the debtor, the secured party shall notify the filing officer both upon commencement and termination of the proceedings, and the filing officer shall not destroy any financing statements filed with respect to the debtor until termination of the insolvency proceedings. The security interest remains perfected until termination of the insolvency proceedings and thereafter for a period of 60 days or until expiration of the five year period, whichever occurs later.

(4) Except as provided in subsection (7) a filing officer shall mark each statement with a file number and with the date and hour of filing and shall hold the statement or a microfilm or other photographic copy thereof for public inspection. In addition the filing officer shall index the statements according to the name of the debtor and shall note in the index the file number and the address of the debtor given in the statement.

(5) The secretary of state shall prescribe uniform forms for statements and samples thereof shall be furnished to all filing officers in the state. The uniform fee for filing and indexing and for stamping a copy furnished by the secured party to show the date and place of filing for an original financing statement or for a continuation statement shall be \$2 \$5 if the statement is in the standard form prescribed by the secretary of state and otherwise shall be \$3 \$10 , plus in each case, if the financing statement is subject to subsection (5) of section 336.9-402, \$5. ~~The uniform fee for each name more than one required to be indexed shall be \$1. The secured party may at his option show a trade name for any person and an extra uniform indexing fee of \$1 shall be paid with respect thereto. An additional fee of \$5 shall be collected if more than one name is required to be indexed or if the secured party, at his option, shows a trade name for any debtor listed. There shall be no fee collected for the filing of an amendment to a financing statement if the amendment is in the standard form prescribed by the secretary of state and otherwise it shall be \$5.~~

(6) If the debtor is a transmitting utility (subsection (5) of section 336.9-401) and a filed financing statement so states, it is effective until a termination statement is filed. A real estate mortgage which is effective as a fixture filing under subsection (6) of section 336.9-402 remains effective as a fixture filing until the mortgage is released or satisfied of record or its effectiveness otherwise terminates as to the real estate.

(7) When a financing statement covers timber to be cut or covers minerals or

the like (including oil and gas) or accounts subject to subsection (5) of section 336.9-103, or is filed as a fixture filing, it shall be filed for record and the filing officer shall index it under the names of the debtor and any owner of record shown on the financing statement in the same fashion as if they were the mortgagors in a mortgage of the real estate described, and, to the extent that the law of this state provides for indexing of mortgages under the name of the mortgagor, under the name of the secured party as if he were the mortgagee thereunder, or, for filing offices other than the secretary of state, where indexing is by description in the same fashion as if the financing statement were a mortgage of the real estate described. If requested of the filing officer on the financing statement, a financing statement filed for record as a fixture filing in the same office where nonfixture filings are made is effective, without a dual filing, as to collateral listed thereon for which filing is required in such office pursuant to section 336.9-401 (1) (a); in such case, the filing officer shall also index the recorded statement in accordance with subsection (4) using the recording data in lieu of a file number.

(8) The fees provided for in this article shall supersede the fees for similar services otherwise provided for by law except in the case of security interests filed in connection with a certificate of title on a motor vehicle.

Sec. 348. Minnesota Statutes 1980, Section 336.9-404, is amended to read:

336.9-404 [TERMINATION STATEMENT.]

(1) If a financing statement covering consumer goods is filed on or after January 1, 1977, then within one month or within ten days following written demand by the debtor after there is no outstanding secured obligation and no commitment to make advances, incur obligations or otherwise give value, the secured party must file with each filing officer with whom the financing statement was filed, a termination statement to the effect that he no longer claims a security interest under the financing statement, which shall be identified by file number. In other cases whenever there is no outstanding secured obligation and no commitment to make advances, incur obligations, or otherwise give value, the secured party must on written demand by the debtor send the debtor, for each filing officer with whom the financing statement was filed, a termination statement to the effect that he no longer claims a security interest under the financing statement, which shall be identified by file number. A termination statement signed by a person other than the secured party of record must be accompanied by a separate written statement of assignment signed by the secured party of record and complying with subsection (2) of section 336.9-405, including payment of the required fee. If the affected secured party fails to file such a termination statement as required by this subsection, or to send such a termination statement within ten days after proper demand therefor he shall be liable to the debtor for \$100, and in addition for any loss caused to the debtor by such failure.

(2) On presentation to the filing officer of such a termination statement he must note it in the index. If he has received the termination statement in duplicate, he shall return one copy of the termination statement to the secured party stamped to show the time of receipt thereof. If the filing officer has a microfilm or other photographic record of the financing statement, and of any related continuation statement, statement of assignment and statement of release, he may remove the originals from the files at any time after receipt of the

termination statement, or if he has no such record, he may remove them from the files at any time after one year after receipt of the termination statement.

(3) *There shall be no fee collected for the filing of a termination if the termination statement is in the standard form prescribed by the secretary of state the uniform fee for filing and indexing the termination statement shall be \$1 and otherwise shall be \$2 \$5, plus in each case, if the original financing statement was subject to subsection (5) of section 336.9-402, the fee prescribed by section 357.18, subdivision 1, clause (1). An additional fee of \$1 shall be charged for each name more than one against which the termination statement is required to be filed.*

Sec. 349. Minnesota Statutes 1980, Section 336.9-405, is amended to read:

336.9-405 [ASSIGNMENT OF SECURITY INTEREST; DUTIES OF FILING OFFICER; FEES.]

(1) A financing statement may disclose an assignment of a security interest in the collateral described in the financing statement by indication in the financing statement of the name and address of the assignee or by an assignment itself or a copy thereof on the face or back of the statement. On presentation to the filing officer of such a financing statement the filing officer shall mark the same as provided in section 336.9-403(4). The uniform fee for filing, indexing, and furnishing filing data for a financing statement so indicating an assignment shall be ~~\$2~~, the same as the fee prescribed in section 336.9-403, clause (5).

(2) A secured party may assign of record all or a part of his rights under a financing statement by the filing in the place where the original financing statement was filed of a separate written statement of assignment signed by the secured party of record and setting forth the name of the secured party of record and the debtor, the file number and the date of filing of the financing statement, and the name and address of the assignee and containing a description of the collateral assigned. A copy of the assignment is sufficient as a separate statement if it complies with the preceding sentence. On presentation to the filing officer of such a separate statement, the filing officer shall mark such separate statement with the date and hour of the filing. He shall note the assignment on the index of the financing statement, or in the case of a fixture filing, or a filing covering timber to be cut, or covering minerals or the like (including oil and gas) or accounts subject to subsection (5) of section 336.9-103, he shall index the assignment under the name of the assignor as grantor and, to the extent that the law of this state provides for indexing the assignment of a mortgage under the name of the assignee, he shall index the assignment of the financing statement under the name of the assignee. The uniform fee for filing, indexing, and furnishing filing data about such a separate statement of assignment shall be ~~\$2~~ \$5 if the statement is in the standard form prescribed by the secretary of state and otherwise shall be ~~\$3~~ \$10, plus in each case, if the original financing statement was subject to subsection (5) of section 336.9-402, the fee prescribed by section 357.18, subdivision 1, clause (1). An additional fee of ~~\$4~~ \$5 shall be charged for each name if there is more than one name against which the statement of assignment is required to be indexed. Notwithstanding the provisions of this subsection, an assignment of record of a security interest in a fixture contained in a mortgage effective as a fixture filing (subsection (6) of section 336.9-402) may be made only by an assignment of the mortgage in the manner provided by the law of this state other than Laws 1976, Chapter 135.

(3) After the disclosure or filing of an assignment under this section, the assignee is the secured party of record.

Sec. 350. Minnesota Statutes 1980, Section 336.9-406, is amended to read:

336.9-406 [RELEASE OF COLLATERAL; DUTIES OF FILING OFFICER; FEES.]

A secured party of record may by his signed statement release all or a part of any collateral described in a filed financing statement. The statement of release is sufficient if it contains a description of the collateral being released, the name and address of the debtor, the name and address of the secured party, and the file number of the financing statement. A statement of release signed by a person other than the secured party of record must be accompanied by a separate written statement of assignment signed by the secured party of record and complying with subsection (2) of section 336.9-405, including payment of the required fee. Upon presentation of such a statement of release to the filing officer he shall mark the statement with the hour and date of filing and shall note the same upon the margin of the index of the filing of the financing statement. ~~The uniform~~ *There shall be no fee for filing and noting such a statement of release shall be \$2* if the statement is in the standard form prescribed by the secretary of state and otherwise shall be ~~\$3~~ \$5, plus in each case, if the original financing statement was subject to subsection (5) of section 336.9-402, the fee prescribed by section 357.18, subdivision 1, clause (1). ~~An additional fee of \$1 shall be charged for each name more than one against which the statement of release is required to be indexed.~~

Sec. 351. Minnesota Statutes 1980, Section 336.9-407, is amended to read:

336.9-407 [INFORMATION FROM FILING OFFICER.]

(1) If the person filing any financing statement, termination statement, statement of assignment, or statement of release, furnishes the filing officer a copy thereof, the filing officer shall upon request note upon the copy the file number and date and hour of the filing of the original and deliver or send the copy to such person.

(2) Upon request of any person, the filing officer shall ~~issue his certificate showing whether there is on file on the date and hour stated therein any presently effective financing statement naming a particular debtor and any statement of assignment thereof and, if there is, giving the date and hour of filing of each such statement and the names and addresses of each secured party therein. The uniform fee for such a certificate shall be \$2 if the request is in the standard form prescribed by the secretary of state and otherwise shall be \$3 plus 50 cents for each financing statement and for each statement of assignment reported therein. Upon request the filing officer shall furnish a copy of any filed financing statement or statement of assignment for a uniform fee of 50 cents per page. conduct a search of his file for any effective financing statements naming a particular debtor and any statement of assignment thereof. He shall report what he finds as of that date and hour by issuing:~~

(a) *His certificate listing the file number, date, and hour of each filing and the names and addresses of each secured party therein;*

(b) *Photocopies of the original documents on files; or,*

(c) *Upon request, both his certificate and photocopies of the statements.*

The uniform fee for conducting the search and for preparing a certificate showing up to five listed filings or for preparing up to five photocopies of original documents, or any combination of up to five listed filings and photocopies, shall be \$5 if the request is in the standard form prescribed by the secretary of state and otherwise shall be \$10. There shall be an additional fee of 50 cents for each financing statement and each statement of assignment listed on the certificate and for each photocopy that he prepares in excess of the first five.

Sec. 352. Minnesota Statutes 1980, Section 345.42, Subdivision 1, is amended to read:

Subdivision 1. Within 120 days from the filing of the report required by section 345.41, the state treasurer shall cause notice to be published at least once ~~each week for two successive weeks~~ but not more than twice in an English language newspaper of general circulation in the county in this state in which is located the last known address of any person to be named in the notice. If no address is listed or if the address is outside this state, the notice shall be published in the county in which the holder of the abandoned property has his principal place of business within this state.

Sec. 353. Minnesota Statutes 1980, Section 345.53, is amended to read:

345.53 [EXAMINATION OF RECORDS.]

Subdivision 1. The state treasurer may at reasonable times and upon reasonable notice examine the records of any person if he has reason to believe that ~~such~~ the person has failed to report property that should have been reported pursuant to sections 345.31 to 345.60.

Subd. 2. If an examination of the records of a person results in the disclosure of property reportable and deliverable under sections 345.31 to 345.60, the treasurer may assess the cost of the examination against the holder at the rate of \$15 per hour per examiner, but in no case may the charges exceed the value of the property found to be reportable and deliverable.

Sec. 354. Minnesota Statutes 1980, Section 352E.04, is amended to read:

352E.04 [DISBURSEMENTS.]

Upon certification to the governor by the administrator of any state or governmental subdivision employing peace officers that a peace officer employed by that state or governmental subdivision within this state has been killed in the line of duty, leaving a spouse or one or more eligible dependents, the commissioner of finance shall, subject to the approval of the workers' compensation court of appeals, pay \$50,000 as follows:

- (a) If there is no dependent child, to the spouse;
- (b) If there is no spouse, to the dependent child or children in equal shares;
- (c) If there are both a spouse and one or more dependent children, one-half to the spouse and one-half to the child or children, in equal shares;
- (d) If there is no surviving spouse or dependent child or children, to the parent or parents dependent for support on the decedent, in equal shares;
- (e) If there is no surviving spouse or dependent child, children or parent, then there shall be no payment made from the peace officers benefit fund. ~~For~~

~~the purpose of sections 352E.01 to 352E.045, killed in the line of duty shall not include any peace officer who dies as a result of a heart attack.~~

Sec. 355. Minnesota Statutes 1980, Section 354.43, Subdivision 3, is amended to read:

Subd. 3. Each school district, state university, community college and any other employing authority of members of the fund shall be obligated for employer contributions in accordance with the provisions of sections 354.42, subdivisions 3 and 5, and 355.46, subdivision 3, as provided in this section. *With respect to state employees, each department and agency shall pay the amounts required by section 354.42, subdivisions 3 and 5 from the accounts and funds from which each department or agency receives its revenue, including appropriations from the general fund and from any other fund, now or hereafter existing, for the payment of salaries and in the same proportion as it pays therefrom the amounts of the salaries. The payments shall be charged as an administrative cost by these units of state government. For other reporting units, that portion of such the employer contributions based on salaries paid from sources other than normal school operating funds as defined in section 354.05, subdivision 27 shall be remitted to the teachers retirement association. Such The remittance shall be accompanied by a satisfactory certification which shows the total of all salaries paid which are subject to teachers retirement deductions. Such The certification shall also show the total amount of salaries paid from normal school operating funds and the total amount of salaries paid from sources other than normal school operating funds as defined in section 354.05, subdivision 27. For each individual salary included in the total of all salaries paid from sources other than normal school operating funds as defined in section 354.05, subdivision 27, the certification shall show each person's name, his salary or related portion of salary and remittance of employer contributions related to such the salary for each person included in the actual remittance.*

Sec. 356. Minnesota Statutes 1980, Section 355.06, is amended to read:

355.06 [REVOLVING FUND COSTS OF ADMINISTRATION.]

Subdivision 1. [REVOLVING FUND.] A revolving fund is hereby created to be known as the state agency revolving fund for the purpose of paying the costs of the administration of the state agency and to be used by it solely for that purpose. There shall be paid into such fund all amounts received in reimbursement of the state agency's costs of administration in carrying out the provisions of this chapter, as amended, and such reimbursements are hereby appropriated to said revolving fund.

Subd. 2. [FEDERAL FUND POSITIONS: APPROPRIATION.] In the case of state departments, agencies, and institutions that are financed in whole or in part with federal money, the portion of the cost of collecting social security contributions that is chargeable to federal money shall be reimbursed from federal money, and the amount necessary is appropriated from federal money for that purpose.

Subd. 3. [DEDICATED FUND POSITIONS: APPROPRIATION.] The cost of collecting employees' social security contributions and the state's matching share for reimbursement to the U.S. Secretary of the Treasury for state departments, agencies, and institutions whose salaries are provided by

open, standing, continuing, or revolving appropriations or so called dedicated receipt accounts shall be reimbursed to the state agency revolving fund from those appropriations or dedicated receipt accounts, and the amount necessary is appropriated from those appropriations and accounts for that purpose.

Sec. 357. Minnesota Statutes 1980, Section 480.0595, is amended to read:

480.0595 [JUVENILE COURT RULES.]

The supreme court shall promulgate rules to regulate the pleadings, practice, procedure and the forms thereof in juvenile proceedings in all juvenile courts of the state in accordance with the provisions of section 480.059, except with respect to the composition of the advisory committee and the distribution of the proposed rules. *Before adoption of the rules, the supreme court shall distribute copies of the proposed rules to such persons who register with the supreme court their desire to receive notice of hearings on the proposed rules. The rules shall be published and distributed available for distribution to the judiciary and attorneys of the state on or before September 1, 1981.*

Sec. 358. [EXPENSES OF JUDGES.]

During the biennium ending June 30, 1983, judges of the district court shall be reimbursed for all sums, not reimbursed by counties. They shall necessarily hereafter pay out membership dues in state and local judges' associations.

Sec. 359. Minnesota Statutes 1980, Section 546.27, is amended to read:

546.27 [DECISION BY THE COURT.]

Subdivision 1. When an issue of fact has been tried by the court, the decision shall be in writing, the facts found and the conclusion of law shall be separately stated, and judgment shall be entered accordingly. All questions of fact and law, and all motions and matters submitted to a judge for ~~his~~ a decision in trial and appellate matters, shall be disposed of and ~~his~~ the decision filed with the clerk within 90 days after such submission, unless sickness or casualty shall prevent, or the time be extended by written consent of the parties. No part of the salary of any judge shall be paid unless the voucher therefor be accompanied by a certificate of the judge that ~~he has fully complied~~ *there has been full compliance* with the requirements of this section.

Subd. 2. The board on judicial standards shall annually review the compliance of each district, county, municipal, or probate judge with the provisions of subdivision 1. The board shall notify the ~~state court administrator commissioner of finance~~ of each judge not in compliance. If the board finds that a judge has compelling reasons for noncompliance, it may decide not to issue the notice. Upon notification that a judge is not in compliance, the commissioner of finance shall not pay the *salary of that judge* ~~his salary~~. The board may cancel a notice of noncompliance upon finding that a judge ~~has returned his status is in to~~ compliance, but in no event shall a judge be paid ~~his~~ a salary for the period in which the notification of noncompliance was in effect.

Sec. 360. [611.215] [STATE BOARD OF PUBLIC DEFENSE CREATED.]

Subdivision 1. [CREATION; MEMBERSHIP.] There is created a state board of public defense as a part of, but not subject to the administrative control of, the judicial branch of government. The state board of public de-

fense shall consist of seven members appointed by the governor including:

(a) A district, county or county municipal court trial judge;

(b) Four attorneys admitted to the practice of law, well acquainted with the defense of persons accused of crime, but not publicly employed as a prosecutor or defense counsel; and

(c) Two public members.

All members shall demonstrate an interest in maintaining a high quality, independent defense system for those who are unable to obtain adequate representation. In making the four appointments of attorneys at law, the governor shall first consider a list of at least three nominees for each position submitted to the governor by the state bar association. The terms, compensation and removal of members shall be as provided in section 15.0575. The chairman shall be elected by the members from among the membership for a term of two years.

Subd. 2. [DUTIES AND RESPONSIBILITIES.] The state board of public defense shall have those duties and responsibilities imposed upon it by chapter 611.

Subd. 3. [LIMITATION.] In no event shall the board or its members interfere with the discretion, judgment or zealous advocacy of counsel in their handling of individual cases as a part of the judicial branch of government.

Sec. 361. Minnesota Statutes 1980, Section 611.23, is amended to read:

611.23 [APPOINTMENT; SALARY.]

The state public defender shall be appointed by the state ~~judicial council~~ board of public defense for a term of four years, except as otherwise provided herein, and until his successor is appointed and qualified. He shall be a qualified attorney, licensed to practice law in this state, ~~shall be serve~~ in the unclassified service of the state, and ~~shall be removed only for cause by the appointing authority~~. Vacancies in the office shall be filled by the appointing authority for the unexpired term. The salary of the state public defender shall be fixed by law. ~~The first state public defender appointed pursuant to this section shall be appointed for a term commencing July 1, 1965, and expiring December 31, 1969. Subsequent~~ Terms of the state public defender shall commence on January 1. The state public defender shall devote full time to the performance of his duties and shall not engage in the general practice of law.

Sec. 362. Minnesota Statutes 1980, Section 611.24, is amended to read:

611.24 [ORGANIZATION OF OFFICE; ASSISTANTS.]

~~Subject to the approval of the judicial council;~~ The state public defender may employ or retain assistant state public defenders and ~~such~~ other personnel as may be necessary to discharge the function of the office. The commissioner of administration shall provide ~~such~~ the office with suitable quarters outside the capitol building. An assistant public defender shall be a qualified attorney, licensed to practice law in this state, ~~shall be serve~~ in the unclassified service of the state if employed, and ~~shall serve~~ at the pleasure of the appointing authority at a salary or retainer fee not to exceed reasonable compensation for comparable services performed for other governmental agencies or departments. Retained or part-time employed assistant state public defenders may engage in the

general practice of law.

Sec. 363. Minnesota Statutes 1980, Section 611.26, Subdivision 1, is amended to read:

Subdivision 1. A majority of the judges of any judicial district not subject to the provisions of section 611.12, except the second *district*, may, by written order filed with the state ~~judicial council~~ *board of public defense*, establish in ~~such~~ *the* district the public defender system provided in Laws 1965, Chapter 869. ~~Such~~ *The* ~~an~~ order shall be effective 30 days after its filing. Notwithstanding this subdivision the state public defender may assist the public defenders of the second and fourth judicial districts at their request.

Sec. 364. Minnesota Statutes 1980, Section 611.26, Subdivision 2, is amended to read:

Subd. 2. Upon the filing of an order pursuant to subdivision 1 the state ~~judicial council~~ *board of public defense* shall appoint a district public defender after receiving recommendations from the judges of the district. Each district public defender shall be a qualified attorney, licensed to practice law in this state. He shall be appointed for a term of four years. The district public defender may be removed *for cause* upon the order of the state ~~judicial council~~ *board of public defense* ~~for cause~~. Vacancies in the office shall be filled by the appointing authority for the unexpired term.

Sec. 365. Minnesota Statutes 1980, Section 611.26, Subdivision 3, is amended to read:

Subd. 3. The compensation of the district public defender for each judicial district shall be set by the ~~judicial council~~ *board of public defense* at a specified sum per month or an hourly or per diem basis.

Sec. 366. Minnesota Statutes 1980, Section 611.26, Subdivision 4, is amended to read:

Subd. 4. A district public defender may appoint assistants, after receiving recommendations from the judges of the district, each of whom shall be a qualified attorney, licensed to practice law in this state, ~~but only with subject to~~ the approval of the ~~judicial council~~ *board of public defense* and ~~in accordance with the other~~ provisions of this section. Each assistant district public defender shall serve at the pleasure of the district public defender.

Sec. 367. Minnesota Statutes 1980, Section 611.26, Subdivision 5, is amended to read:

Subd. 5. The compensation of each assistant district public defender for each of the judicial districts shall be set by the district public defender with the approval of the ~~judicial council~~ *board of public defense*, at a specified sum per month or an hourly or per diem basis.

Sec. 368. [TRANSITION.]

A written order filed before July 1, 1981 with the state judicial council establishing a district public defender system shall remain in effect. A district public defender, serving on July 1, 1981, may continue in office until the expiration of the term to which he has been appointed. The state public defender, serving on July 1, 1981, may continue in office until the expiration of the term to which he has been appointed.

Sec. 369. Minnesota Statutes 1980, Section 638.08, is amended to read:

638.08 [ISSUANCE OF PROCESS; WITNESSES; STANDING APPROPRIATION.]

The board of pardons may issue process requiring the presence of any person or officer before it, with or without books and papers, in any matter pending, and may take such reasonable steps in the matter as it may deem necessary to a proper determination thereof. When any person is summoned before the board by its authority, ~~he~~ *the person* may be allowed such compensation for travel and attendance as it may deem reasonable. ~~The sum of \$300 is hereby appropriated annually for carrying out the provisions of this chapter.~~

Sec. 370. Minnesota Statutes 1980, Section 648.39, is amended to read:

648.39 [MINNESOTA STATUTES AND SESSION LAWS; SALE AND DISTRIBUTION.]

Subdivision 1. [FREE DISTRIBUTION.] ~~To the extent that appropriations are available therefor,~~ The revisor of statutes shall *without charge* distribute each edition of Minnesota Statutes, *supplement to the Minnesota Statutes*, and ~~each edition of the session laws~~ *Laws of Minnesota to the persons, officers, departments, agencies, or commissions listed in this subdivision. Prior to distribution of Minnesota Statutes, supplement to the Minnesota Statutes, or the Laws of Minnesota, the revisor of statutes shall inquire whether the full number of copies authorized by this subdivision are required for their work. Unless a smaller number is needed, each edition shall be distributed without charge as follows:*

- (a) 30 copies to the supreme court;
- (b) 1 copy to each judge of a district court;
- (c) 1 copy to the clerk of each district court for use in each courtroom of the district court of his county;
- (d) 100 copies to the state law library;
- (e) 100 copies to the law school of the University of Minnesota;
- (f) ~~35~~ 100 copies to the office of the attorney general;
- Such (g) 10 copies as ~~may be necessary but not exceeding ten~~ each to the governor's office, the departments of ~~administration~~, agriculture, commerce, corrections, education, health, transportation, labor and industry, economic security, natural resources, public safety, public service, public welfare, and revenue, and the pollution control agency;
- (h) 1 copy each to ~~the other~~ state departments, agencies, boards, and commissions ~~that may request a copy not specifically named in this subdivision~~;
- (i) 1 copy to each member of the legislature;
- ~~The necessary number of~~ (j) 100 copies ~~required~~ for the use of the senate and 150 copies for the use of the house of representatives;
- (k) 4 copies to the secretary of the senate;
- (l) 4 copies to the chief clerk of the house of representatives;
- (m) 1 copy to each judge, district attorney, clerk of court of the United States

and the deputy clerk of each division of the United States district court in this state, the secretary of state of the United States, the library of congress, and the Minnesota historical society-;

Subd. 1a. ~~Notwithstanding the provisions of subdivision 1, (n) 20 copies each to the departments department of administration and, state auditor, and legislative auditor may each receive not more than 20 copies of each edition of Minnesota Statutes and each edition of the session laws-;~~

(o) 1 copy to each county library maintained pursuant to section 134.12 or 375.33, except in counties containing cities of the first class. If a county has not established a county library pursuant to section 134.12 or 375.33, the copy shall be provided to any public library in the county; and

(p) 50 copies to the revisor of statutes.

Subd. 2. [COUNTY OFFICERS.] Each county shall purchase from the revisor of statutes one copy each for the use of the judge of probate, county attorney, sheriff, auditor, treasurer, county recorder, and superintendent of schools.

Subd. 3. [CITY AND TOWN OFFICERS.] Each city and town shall purchase from the revisor of statutes, for the use of each justice of the peace, judge of the municipal court, clerk of the municipal court, and clerk of the city or town, as the case may be, ~~such the number of copies as the city or town shall determine determines~~ is needed.

Subd. 4. [STATE DEPARTMENTS.] A department, agency, board, commission, or other instrumentality of the state listed in this section may purchase from the revisor of statutes any additional copies which may be required.

Subd. 5. [SALE PRICE.] The sale price for each edition of Minnesota Statutes is ~~not less than the actual cost thereof of composition, printing, binding, and distribution of all books ordered, but in no event not less than \$100~~ \$75. The sale ~~price prices~~ of each edition of the Laws of Minnesota ~~session laws is and supplement to the Minnesota Statutes are~~ not less than the actual cost ~~thereof of composition, printing, binding and distribution of all books ordered, but in no event not less than \$35~~ \$25. ~~Nothing in this subdivision The revisor of statutes shall be construed to fix the sale prices of paper back editions of each of the publications should the revisor of statutes deem it desirable to publish paper back copies or pamphlets published pursuant to section 648.43. Receipts from the sale of the Minnesota Statutes, supplement to the Minnesota Statutes, Laws of Minnesota, and any pamphlets shall be deposited in the general fund.~~

Subd. 6. The revisor of statutes shall provide without cost one copy of each edition of Minnesota Statutes and one copy of each supplement to Minnesota Statutes to each county library maintained pursuant to section 375.33 or 134.12, ~~except in counties containing cities of the first class. If a county has not established a county library pursuant to section 375.33 or 134.12, the copies shall be provided to a public library designated by the county board after consultation with the regional library, if any, established pursuant to section 375.335 for the region in which the county is located.~~

Sec. 371. Laws 1976, Chapter 337, Section 1, Subdivision 2, as amended by Laws 1978, Chapter 793, Section 82, is amended to read:

Subd. 2: The council shall consist of five members of the house of representatives appointed by the speaker, five members of the senate appointed by the committee on committees, and twelve citizens appointed by the governor. At least 50 percent of those appointed by the governor and by the speaker of the house shall be women. Members shall serve for two years or until the expiration of their legislative terms; *except, in order to establish staggered membership terms for the citizen members, the governor shall appoint six citizens for three-year terms and six citizens for two-year terms starting July 1, 1981.* The compensation of non-legislator members, their removal from office and the filling of vacancies shall be as provided in section 15.059. The persons appointed by the governor shall be representative of a range of economic interests and vocations and shall include persons who are not regularly employed on a full-time or part-time basis outside their homes.

Sec. 372. Laws 1976, Chapter 337, Section 1, Subdivision 3, is amended to read:

Subd. 3. The council shall study all matters relating to the economic status of women in Minnesota, including ~~matters of credit, family support and inheritance laws relating to economic security of the homemaker, educational opportunities, career counseling, contribution of women to Minnesota's per capita and family income and state revenues, job and promotion opportunities~~ *economic security of homemakers and women in the labor force, opportunities for education and vocational training, employment opportunities, the contributions of women to the economy, their access to benefits and services provided to citizens of this state, and laws and business practices constituting barriers to the full participation by women in the economy.* In addition, the council shall study the adequacy of programs, ~~and services and facilities~~ relating to families in Minnesota, including single-parent families and members beyond the nuclear or immediate family.

Sec. 373. Laws 1976, Chapter 337, Section 1, Subdivision 4, as amended by Laws 1978, Chapter 793, Section 83, is amended to read:

Subd. 4. The council shall report its findings and recommendations to the governor and the legislature not later than December 15, ~~1977, of each even-numbered year and shall supplement its findings and recommendations not later than June 30, 1978 and June 30, 1981~~ *December 15 of each odd-numbered year.* The report shall recommend ~~any necessary changes in laws and programs~~ *legislation and administrative action* designed to enable women to achieve full participation in the economy. The report shall also recommend methods to encourage the development of coordinated, interdepartmental goals and objectives and the coordination of programs, services and facilities among all state departments and public and private providers of services related to children, youth and families.

Sec. 374. Laws 1978, Chapter 510, Section 2, is amended to read:

Sec. 2. [SPANISH-SPEAKING PEOPLE.]

For purposes of sections 3 to 8 7, the term "Spanish-speaking person" means a person who uses Spanish as a primary method of communication, or who is a spouse of a person who does.

Sec. 375. Laws 1978, Chapter 510, Section 5, is amended to read:

Sec. 5. [POWERS.]

The council shall have power to contract in its own name. Contracts shall be approved by a majority of the members of the council and executed by the chairperson and the executive director. The council may apply for, receive, and expend in its own name grants and gifts of money consistent with the power and duties specified in sections 1 to 7.

The council shall appoint, subject to the approval of the governor, an executive director who shall be experienced in administrative activities and familiar with the problems and needs of Spanish-speaking people. The council may delegate to the executive director any powers and duties under sections 1 to 7 which do not require council approval. The executive director and council staff shall serve in the unclassified service ~~and~~. *The executive director may be removed at any time by a majority vote of the entire council.* The executive director shall recommend to the council the appropriate staffing patterns necessary to carry out its duties. The commissioner of administration shall provide the council with necessary ~~additional staff and~~ administrative services, and the council shall reimburse the commissioner for the cost of these services.

Sec. 376. [ADVISORY TASK FORCE ON INDEPENDENT LIVING.]

Subdivision 1. [DEFINITION.] For the purposes of this section, "independent living programs and services" means any appropriate service or cluster of services that will maximize the ability of a handicapped individual to live independently or function within the family and community and, if appropriate, to secure and maintain appropriate employment.

Subd. 2. [MEMBERSHIP.] The advisory task force on independent living shall consist of the governor; the executive director of the council for the handicapped; the commissioners of economic security and public welfare; two members of the house of representatives appointed in the same manner as is customary in the case of members of standing committees of the house; two members of the senate appointed in the same manner as is customary in the case of members of standing committees of the senate; and seven advocates or disabled persons representing the areas of visual impairment, hearing impairment, mobility impairment, mental retardation, mental health, epilepsy and special learning disabilities, appointed to the task force by the chairperson of the council for the handicapped. The necessary administrative support shall be provided by the council for the handicapped. The executive director of the council for the handicapped shall chair the task force meetings.

Subd. 3. [DUTIES.] The task force shall study all existing and proposed independent living programs and services in order to ascertain how they may be better integrated or coordinated with each other and with community residential programs so that service gaps and duplications will be minimized and services will be equitably available to the various categories of disabilities. Programs and services to be studied shall include but need not be limited to: the division of vocational rehabilitation's independent living program, the department of public welfare's semi-independent living program, the regional service centers for the hearing impaired, and the mental health nonresidential community programs. The task force shall report its findings and recommendations to the governor and the legislature by December 31, 1981. The task force report shall:

(a) Describe each independent living program or service studied by the task force;

(b) Identify and describe any state plans, court decrees or interagency agreements relating directly to independent living programs or services;

(c) Identify current and potential funding resources for independent living programs and services and describe restrictions affecting the use of this funding;

(d) Identify significant service gaps that prevent independent living programs or services from achieving their full potential;

(e) Identify areas of service duplication;

(f) Identify inequities with regard to the availability of independent living programs and services available to the various categories of disabilities;

(g) Recommend specific improvements in integration or coordination that will minimize or eliminate identified service gaps, duplications, or inequities in independent living programs and that will foster closer cooperation with community residential services; and

(h) Recommend specific legislative, regulatory, or policy changes necessary to allow implementation of the recommended improvements.

Subd. 4. [EFFECTIVE DATE; REPEALER.] This section is effective the day following final enactment and is repealed January 1, 1982.

Sec. 377. [REPEALER.]

Minnesota Statutes 1980, Sections 3.86; 7.07; 16A.75; 16A.751; 16A.752; 16A.753; 16A.754; 168B.11; 363.073, Subdivisions 1 and 2; 481.15, Subdivision 3; 480.053; 483.01; 483.02; 648.45; and 648.46 are repealed. Minnesota Statutes 1980, Section 473.556, Subdivision 15 is repealed, effective July 1, 1982.

Sec. 378. [REPEALER.]

Laws 1961, Chapter 66, Section 1, as amended by Laws 1971, Chapter 867, Section 1, and Laws 1977, Chapter 310, Section 17, are repealed. Laws 1976, Chapter 337, Section 4, as amended by Laws 1978, Chapter 793, Section 84; Laws 1978, Chapter 510, Section 10; Laws 1981, Chapter 151, Section 1, are repealed, effective the day following enactment.

Sec. 379. [EFFECTIVE DATE.]

Sections 280 and 283 are effective the day following final enactment. Sections 345 to 351 are effective January 1, 1982. Sections 281, 282, and 284 to 312 are effective for the license year commencing March 1, 1982 and thereafter."

Delete the title and insert:

"A bill for an act relating to the organization and operation of state government; appropriating money for the general legislative, judicial, and administrative expenses of state government with certain conditions; providing for the transfer of certain moneys in the state treasury; authorizing land acquisition in certain cases; fixing and limiting the amount of fees to be collected in certain cases; creating, abolishing, modifying, and transferring agencies and functions; creating a department of energy, planning and development; transferring all the functions of the state planning agency, energy agency, and department

of economic development, and the staff of the crime control planning board, to the department of energy, planning and development; abolishing the state planning agency, energy agency, and department of economic development; creating an advisory committee on energy policy development; amending Minnesota Statutes 1980, Sections 3.3005, Subdivision 3; 3.304, by adding a subdivision; 3.922, Subdivision 1; 4.10; 4.11, Subdivisions 4, 5 and 8; 4.12; 4.125; 4.13; 4.17; 4.18, Subdivision 2; 4.191; 4.26, Subdivision 1; 4.27; 4.29; 4.35; 4.36, Subdivisions 2, 3, 4, and 5; 5.08, Subdivision 2; 9.061, Subdivision 5; 11A.20, Subdivision 3; 15.01; 15.057; 15.50, Subdivision 2; 15A.081, Subdivision 1; 16.014, Subdivision 1; 16.084; 16.086, Subdivisions 1 and 2; 16.125, Subdivision 2; 16.756, Subdivision 1; 16A.123; 17.59, Subdivision 5, as amended; 17A.04, Subdivision 5; 17B.15; 18.023, Subdivision 11; 18.024, Subdivision 1; 18.51, Subdivision 2; 18.52, Subdivision 5; 18.54, Subdivision 1; 19.19, Subdivisions 1 and 2; 19.20, Subdivision 4; 27.041, Subdivision 2; 28A.08; 32.075; 32.59; 40.071; 43.09, Subdivision 2a; 43.46, Subdivisions 2 and 3; 60A.15, Subdivision 1; 84.028, Subdivision 2; 84.54; 85.016; 85.017; 85.05, Subdivisions 1 and 2; 85.22, Subdivision 2a; 85A.04, Subdivision 1, and by adding a subdivision; 86.72, Subdivision 3; 86A.06; 86A.09, Subdivisions 1, 2, 3, and 4; 89.43; 92.35; 92.36; 92.37; 97.40, Subdivision 1; 97.482, Subdivision 1; 98.45, Subdivision 6; 98.46, Subdivisions 2 to 12, 14 to 19, and by adding a subdivision; 98.47, Subdivision 1; 98.50, Subdivision 5; 99.28, Subdivision 5; 100.273, Subdivision 7; 100.35, Subdivisions 1 and 5; 101.44; 104.03, Subdivision 1; 104.35, Subdivisions 2 and 3; 105.484; 105.485, Subdivision 3; 114A.03, Subdivision 1; 115A.07, Subdivision 1; 115A.12, Subdivision 2; 115A.15, Subdivision 5; 116C.03, Subdivisions 2, 3, and 4; 116C.69, Subdivisions 2, 2a and 3; 116F.06, Subdivision 2; 116H.05; 116H.06; 116H.07; 116H.08; 116H.085; 116H.087; 116H.088, Subdivision 1; 116H.089; 116H.09, Subdivisions 1, 4, and 5; 116H.10; 116H.11; 116H.12, Subdivisions 1, 1b, 2, 4, 5, 6, and 9; 116H.121, Subdivisions 1 and 2; 116H.122; 116H.123; 116H.124; 116H.126; 116H.127; 116H.128; 116H.129, Subdivisions 1, 4, 5, 6, and 8; 116H.13; 116H.14; 116H.15, Subdivision 2; 116H.17; 116H.18; 116H.19, Subdivision 1; 116H.23; 120.78, Subdivision 1; 124.225, Subdivision 4a; 126.111, Subdivision 2; 137.31, Subdivision 6; 138.93, Subdivision 4; 139.16; 139.17, and by adding a subdivision; 139.18, Subdivisions 1, 3 and 4; 139.19, Subdivisions 3, 4, 5 and 6; 145.834; 145.835, Subdivision 1; 145.836, Subdivision 1; 145.837, Subdivision 1; 145.845; 145.912, Subdivision 15; 160.262, Subdivisions 1 and 3; 160.265, Subdivision 1; 174.03, Subdivision 7; 176.131, Subdivision 10; 176.183, Subdivision 2; 179.71, Subdivision 2; 204A.06, Subdivision 1b; 216B.241, Subdivision 2; 222.62; 222.65; 223.03, as amended; 231.16; 232.02, Subdivisions 1, 2, and 3; 233.08; 245.783, Subdivision 2; 268.014; 270.66; 271.02; 273.74, Subdivisions 2 and 5; 275.53, Subdivisions 1, 3, and 4; 284.28, Subdivision 8; 290.06, Subdivision 14; 290.431; 298.48, Subdivision 4; 299A.03, Subdivision 5; 299A.04; 300.49, Subdivision 1; 301.071, Subdivision 2; 301.75; 301.77, Subdivision 1; 301A.01, Subdivision 1; 301A.05; 301A.07, Subdivision 1; 322A.16; 322A.71; 325F.19, Subdivisions 3 and 6; 325F.20, Subdivision 1; 325F.21, Subdivision 2; 325F.23, Subdivision 1; 325F.24, Subdivision 3a; 336.9-403; 336.9-404; 336.9-405; 336.9-406; 336.9-407; 345.42, Subdivision 1; 345.53; 352E.04; 354.43, Subdivision 3; 355.06; 362.12, Subdivision 1; 362.13; 362.132; 362.40, Subdivisions 8, 9, and 10; 362.41, Subdivision 5; 362.42; 362.51, Subdivisions 8 and 10; 362A.06; 402.045; 402.062, Subdivision 1; 402.095; 451.09, Subdivision 2; 453.52, Subdivision 3; 462.375; 462.384, Subdivision 7; 462.385, Subdivisions 1 and 3; 462.386, Subdivision 1; 462.387; 462.39, Subdivisions 2 and 3; 462.391,

Subdivisions 2, 3, and 4; 462.395; 462.396, Subdivision 1; 462.398; 462.421, Subdivision 2; 462A.05, Subdivision 15b; 473.204, Subdivision 2; 473.411, Subdivision 1; 473.857, Subdivision 2; 473H.06, Subdivision 5; 474.01, Subdivisions 6, 7, and 8; 480.0595; 546.27; 611.23; 611.24; 611.26, Subdivisions 1 to 5; 638.08; 641.24; and 648.39; proposing new law coded as Minnesota Statutes, Chapter 116J; proposing new law coded in Minnesota Statutes, Chapters 85, 97, 116H, 270 and 611; Laws 1976, Chapter 337, Section 1, Subdivisions 2, as amended, 3, and 4, as amended; Laws 1978, Chapter 510, Sections 2 and 5; repealing Minnesota Statutes 1980, Sections 3.86; 4.11, Subdivisions 1, 2, 3, 6, and 7; 4.15; 4.16; 7.07; 16.014, Subdivision 3; 16A.75; 16A.751; 16A.752; 16A.753; 16A.754; 116H.001; 116H.02, Subdivisions 2 and 4; 116H.03; 116H.09, Subdivisions 2 and 3; 116H.12, Subdivision 3b; 126.52, Subdivision 12; 168B.11; 254A.06; 299A.03; 362.07; 362.08; 362.09; 362.10; 362.11; 362.12, Subdivisions 2 and 3; 362.15; 362.17; 362.18; 362.19; 362.23; 362.45, Subdivision 2; 363.073, Subdivisions 1 and 2; 462.711; 473.556, Subdivision 15; 473.571, Subdivisions 2, 3, and 4; 480.053; 481.15, Subdivision 3; 483.01; 483.02; 648.45; 648.46; Laws 1961, Chapter 66, Section 1, as amended; Laws 1976, Chapter 337, Section 4, as amended; Laws 1977, Chapter 310, Section 17; Laws 1978, Chapter 510, Section 10; and Laws 1981, Chapter 151, Section 1."

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

House Conferees: (Signed) Phyllis L. Kahn, Michael R. Sieben, David P. Battaglia, Dean E. Johnson, Gary W. Laidig

Senate Conferees: (Signed) William P. Luther, Gerald L. Willet, Hubert H. Humphrey, III, Franklin J. Knoll, Robert O. Ashbach

Mr. Willet moved that the foregoing recommendations and Conference Committee Report on H. F. No. 1443 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.

CALL OF THE SENATE

Mr. Luther imposed a call of the Senate for the proceedings on H. F. No. 1443. The Sergeant at Arms was instructed to bring in the absent members.

H. F. No. 1443 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 61 and nays 4, as follows:

Those who voted in the affirmative were:

Ashbach	Engler	Langseth	Peterson, D.L.	Stokowski
Bang	Frank	Lantry	Peterson, R.W.	Stumpf
Belanger	Frederick	Lessard	Petty	Taylor
Berg	Frederickson	Lindgren	Pillsbury	Tennessee
Berglin	Hanson	Luther	Purfeerst	Ulland
Bernhagen	Hughes	Menning	Ramstad	Vega
Bertram	Humphrey	Moe, D.M.	Renneke	Waldorf
Brataas	Johnson	Moe, R.D.	Schmitz	Wegener
Dahl	Keefe	Nelson	Seitzpfandt	Willet
Davies	Knoll	Olhoft	Sikorski	
Davis	Knutson	Pehler	Solon	
Dicklich	Kroening	Penny	Spear	
Dieterich	Kronebusch	Peterson, C.C.	Stern	

Messrs. Benson, Kamrath, Rued and Sieloff voted in the negative.

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

RECESS

Mr. Moe, R.D. moved that the Senate do now recess until 1:00 p.m. The motion prevailed.

The hour of 1:00 p.m. having arrived, the President called the Senate to order.

MEMBERS EXCUSED

Mr. Keefe was excused from the Session of today at 1:00 p.m. Mr. Merriam was excused from the Session of today from 9:00 a.m. to 12:15 p.m.

CALL OF THE SENATE

Mr. Moe, R. D. imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

MOTIONS AND RESOLUTIONS - CONTINUED

S. F. No. 1212 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S. F. NO. 1212

A bill for an act relating to municipalities; discontinuance of unprofitable municipal liquor stores; restricting expenditure of public funds for liquor store operation; publication of operating statement; amending Minnesota Statutes 1980, Section 340.353, by adding a subdivision; proposing new law coded in Minnesota Statutes, Chapters 426 and 471.

May 15, 1981

The Honorable Jack Davies
President of the Senate

The Honorable Harry A. Sieben, Jr.
Speaker of the House of Representatives

We, the undersigned conferees for S. F. No. 1212, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments, and that S.F. No. 1212 be further amended as follows:

Page 2, delete lines 10 and 11 and insert "*liquor store unless the city council has first held a public hearing on the proposed transfer. Exceptions to the provisions of this section shall include funds for capital improvements, bonding costs and construction and repairs which can be amortized and paid from funds generated by the operation of the liquor store.*"

Page 2, line 14, after "*publish*" insert "*a balance sheet using generally accepted accounting procedures and*"

Amend the title as follows:

Page 1, line 5, after "*statement*" insert "*and balance sheet*"

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

Senate Conferees: (Signed) Charles R. Davis, James C. Pehler, Randolph W. Peterson

House Conferees: (Signed) John T. Clawson, Paul A. Ogren, William D. Dean

Mr. Davis moved that the foregoing recommendations and Conference Committee Report on S. F. No. 1212 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. 1212 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 35 and nays 9, as follows:

Those who voted in the affirmative were:

Benson	Davies	Johnson	Luther	Schmitz
Berg	Davis	Kamrath	Moe, R. D.	Setzepfandt
Berglin	Dicklich	Kroening	Pehler	Spear
Bernhagen	Dieterich	Langseth	Peterson, D. L.	Stokowski
Bertram	Frank	Lantry	Peterson, R. W.	Tennessen
Brataas	Hanson	Lessard	Petty	Waldorf
Dahl	Humphrey	Lindgren	Ramstad	Willet

Those who voted in the negative were:

Hughes	Menning	Olhoft	Peterson, C. C.	Stumpf
Kronebusch	Merriam	Penny	Renneke	

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

MOTIONS AND RESOLUTIONS - CONTINUED

S. F. No. 660 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S. F. NO. 660

A bill for an act relating to counties; providing correct references to certain civil service procedures; amending Minnesota Statutes 1980, Sections 375.58, Subdivision 3; and 375.62.

May 12, 1981

The Honorable Jack Davies
President of the Senate

The Honorable Harry A. Sieben, Jr.
Speaker of the House of Representatives

We, the undersigned conferees for S. F. No. 660, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S.F. No. 660 be further

amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1980, Section 238.08, Subdivision 5, is amended to read:

Subd. 5. Municipalities may by ordinance or resolution create a joint cable communications commission under section 471.59, to which each member municipality may delegate authority vested in the municipality by statute or charter to prepare, adopt, grant, administer, and enforce a cable communications franchise, and establish rates thereunder. The adoption, granting, administration and enforcement of a cable communications franchise, and the establishment of rates thereunder by a joint cable communications commission, pursuant to this subdivision is deemed to comply with procedural requirements of a statute or charter for the adoption, granting, administration and enforcement of a franchise, and establishment of rates. *A member of the commission may, by ordinance adopted in the manner provided by section 412.191, subdivision 4, adopt by reference the joint cable communication franchise in the manner provided by section 471.62.* The members and governing body of the joint commission shall consist of two representatives appointed by each municipality, at least one of whom shall be a member of the council of that municipality and the other a qualified voter residing within that municipality.

Sec. 2. Minnesota Statutes 1980, Section 375.58, Subdivision 3, is amended to read:

Subd. 3. At the option of the county board, the following positions may be excluded from the jurisdiction of the county personnel department:

(a) Any or all positions subject to merit systems established pursuant to sections 12.22, subdivision 3, 144.071, 387.31 to 387.45, and ~~393.07, subdivision 5~~ 256.012;

(b) Positions designated as temporary or seasonal;

(c) Positions held by special deputies and volunteers serving without pay;

(d) Positions held by students in training.

Sec. 3. Minnesota Statutes 1980, Section 375.62, is amended to read:

375.62 [CIVIL SERVICE AND MERIT SYSTEM RELATIONSHIPS.]

Unless a county board has elected to exclude any or all positions otherwise subject to merit systems established pursuant to sections 12.22, subdivision 3, 144.071, 387.31 to 387.45, and ~~393.07, subdivision 5~~ 256.012, from the jurisdiction of the personnel department, the provisions of sections 12.22, subdivision 3, 144.071, 387.31 to 387.45, and ~~393.07, subdivision 5~~ 256.012 and any rules and regulations promulgated pursuant to those sections shall be superseded insofar as they are inconsistent; provided that no positions subject to merit systems established pursuant to sections 12.22, subdivision 3; 144.071; and ~~393.07, subdivision 5~~ 256.012, shall be removed from existing merit system coverage and placed under a personnel department established pursuant to sections 375.56 to 375.71, until that personnel department is certified by the United States Civil Service Commission as meeting the operating standards of a merit system in accordance with the United States

office of personnel management's standards for a merit system of personnel administration. Nothing in section 387.43, shall be construed to prohibit the inclusion of sheriff's department personnel in a personnel system established pursuant to sections 375.56 to 375.69.

Sec. 4. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to local government; providing for adoption of certain joint cable franchises; providing correct references to certain civil service procedures; amending Minnesota Statutes 1980, Sections 238.08, Subdivision 5; 375.58, Subdivision 3; and 375.62."

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

Senate Conferees: (Signed) Robert J. Schmitz, Earl W. Renneke, Eric D. Petty

House Conferees: (Signed) Tom Rees, Lyndon R. Carlson, Dorothy I. Hokr

Mr. Schmitz moved that the foregoing recommendations and Conference Committee Report on S. F. No. 660 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. 660 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

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

Those who voted in the affirmative were:

Bang	Dicklich	Langseth	Olhoft	Setzepfandt
Benson	Dieterich	Lantry	Pehler	Sikorski
Berg	Frank	Lessard	Penny	Spear
Berglin	Hanson	Lindgren	Peterson, C. C.	Stokowski
Bernhagen	Hughes	Luther	Peterson, D. L.	Stumpf
Bertram	Humphrey	Menning	Peterson, R. W.	Tennessen
Brataas	Johnson	Merriam	Petty	Vega
Dahl	Kamrath	Moe, D. M.	Ramstad	Waldorf
Davies	Kroening	Moe, R. D.	Renneke	Willet
Davis	Kronebusch	Nelson	Schmitz	

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

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

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 1190 and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 1190 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 15, 1981

CONFERENCE COMMITTEE REPORT ON H. F. NO. 1190

A bill for an act relating to counties; providing that the compensation of members of the St. Louis county board of commissioners be set pursuant to general law; amending Minnesota Statutes 1980, Section 375.055, Subdivision 1; repealing Laws 1965, Chapter 843.

May 14, 1981

The Honorable Harry A. Sieben, Jr.
Speaker of the House of Representatives

The Honorable Jack Davies
President of the Senate

We, the undersigned conferees for H. F. No. 1190, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H.F. No. 1190 be further amended as follows:

Page 2, after line 9, insert:

"Sec. 2. [375.056] [SEVEN-MEMBER BOARD.]

Any county with a population of 100,000 or more according to the last federal decennial census may by resolution of its county board provide for a seven-member board of county commissioners. A certified copy of the resolution of the county board of any county choosing to exercise this option shall be transmitted to the secretary of state, and the county commissioner districts shall be redistricted by the county board in accordance with section 375.025."

Page 2, line 14, delete "this act is" and insert "sections 1 and 3 are"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "providing for a seven-member board of commissioners in certain counties;"

Page 1, line 6, after the semicolon, insert "proposing new law coded in Minnesota Statutes, Chapter 375;"

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

House Conferees: (Signed) Joseph R. Begich, Walter R. Hanson, Al W. Wieser, Jr.

Senate Conferees: (Signed) Douglas J. Johnson, James C. Pehler, Duane D. Benson

Mr. Johnson moved that the foregoing recommendations and Conference Committee Report on H. F. No. 1190 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H. F. No. 1190: A bill for an act relating to counties; providing that the compensation of members of the St. Louis county board of commissioners be set pursuant to general law; providing for a seven-member board of commissioners in certain counties; amending Minnesota Statutes 1980, Section 375.055, Subdivision 1; proposing new law coded in Minnesota Statutes, Chapter 375; repealing Laws 1965, Chapter 843.

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

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

The roll was called, and there were yeas 46 and nays 4, as follows:

Those who voted in the affirmative were:

Bang	Frank	Langseth	Pehler	Stokowski
Benson	Hanson	Lantry	Penny	Stumpf
Berg	Hughes	Lessard	Peterson, C. C.	Tennessen
Berglin	Humphrey	Luther	Petty	Vega
Bernhagen	Johnson	Menning	Ramstad	Waldorf
Brataas	Kamrath	Merriam	Renneke	Willet
Dahl	Knoll	Moe, D. M.	Schmitz	
Davis	Knutson	Moe, R. D.	Setzepfandt	
Dicklich	Kroening	Nelson	Sikorski	
Dieterich	Kronebusch	Olhoft	Spear	

Messrs. Bertram; Lindgren; Peterson, D.L. and Peterson, R.W. voted in the negative.

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

MOTIONS AND RESOLUTIONS - CONTINUED

S. F. No. 445 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S. F. NO. 445

A bill for an act relating to courts; providing service periods on Hennepin and Ramsey County district courts, juvenile divisions or family division; authorizing appointment of district court judges to hear cases arising under the juvenile court or family court act for terms up to four years; amending Minnesota Statutes 1980, Sections 260.019, Subdivision 3; 484.64, Subdivision 1; and 484.65, Subdivisions 1 and 6.

May 13, 1981

The Honorable Jack Davies
President of the Senate

The Honorable Harry A. Sieben, Jr.
Speaker of the House of Representatives

We, the undersigned conferees for S. F. No. 445, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S.F. No. 445 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Laws 1974, Chapter 435, Section 3.12, is amended to read:

Sec. 3.12. [COURT HOUSE AND CITY HALL.] (a) [COURT HOUSE AND CITY HALL COMMITTEE ADMINISTRATION.]

(1) Notwithstanding the provisions of Minnesota Statutes, Chapter 374, the Saint Paul city hall and Ramsey county court house building is in charge of a joint committee of seven members appointed as follows:

(A) the mayor of the city of Saint Paul is ex-officio a member of and the chairman of the committee;

(B) three members of the committee are appointed annually by the president of the Saint Paul city council from the members of the council, and three members are appointed annually by the chairman of the board of county commissioners from the members of the board.

(2) The committee has entire charge of the building and may appoint the janitor, custodian and other employees that it considers necessary for the proper care and management of the building and at the compensation that the committee determines.

(3) The expense of keeping the building in repair and the necessary expense of heating and maintaining it shall be paid equally by the city and county; one-half thereof out of the treasury of the city, and one-half out of the treasury of the county shall be administered and operated by the Ramsey county board of commissioners. The board shall set terms and conditions for the occupancy of the building by the city of Saint Paul, provided that Saint Paul shall be entitled to continued occupancy of the areas which it occupied as of January 1, 1981, unless both parties otherwise agree. The city of Saint Paul shall pay rent to Ramsey county in an amount equal to its proportional square foot exclusive usage or occupancy of the building, multiplied by the total expenses of maintaining, heating and operating the building. No later than April 1 of each year, the board of county commissioners shall determine the proportional square foot usage or occupancy of the city and county, respectively, and shall notify the city council of its rent, based upon the projected expenses for maintaining, heating and operating the building in the next year. Costs of improvements to exclusive space shall be borne by the occupant. Costs of improvements to nonexclusive space shall be shared and apportioned in the same manner as the annual rental payments. The rent shall be payable in equal monthly installments, and any shortfall or overpayment of rent, based upon actual expenses shall be paid by the city or refunded by the county by March 1 of the succeeding year.

(b) [SATURDAY CLOSING.] (1) [AUTHORITY.] Ramsey county and the city of Saint Paul may jointly, by resolution adopted by both the board of commissioners and the city council, close the building containing the principal offices of the city and the county, known as the city hall and court house, on Saturday.

(2) [EFFECT OF CLOSING.] An act authorized, required or permitted by law or contract to be performed at or in the city hall and court house on Saturday may be performed on the next succeeding regular business day and no liability or loss of rights on the part of any person shall result from the closing.

(3) [OPEN, ADDITIONAL HOURS.] The city hall and court house may be kept open for the transaction of business on the next business day following each Saturday until 9:00 p.m.

(c) [ROOMS FOR LAW LIBRARY.] In Ramsey county, the ~~court house and city hall committee~~ board of county commissioners may provide rooms in the court house and city hall for the use of a law library and the ~~committee~~ board may install its library therein by purchase, leasing or securing it from an individual or association upon the terms and conditions that to it is for the interest of the people.

Sec. 2. Minnesota Statutes 1980, Section 260.019, Subdivision 3, is amended to read:

Subd. 3. The chief judge shall ~~not~~ designate any judge to hear cases arising under sections 260.011 to 260.301 as his principal or exclusive assignment for no more than ~~three~~ six years out of any ~~six~~ 12 year period.

Sec. 3. Minnesota Statutes 1980, Section 484.65, Subdivision 1, is amended to read:

Subdivision 1. In the fourth judicial district, a family court division of the district court is hereby created to be presided over by a district court judge appointed by the chief judge of the judicial district to serve for a term not exceeding ~~two~~ six years. The judge appointed to this office shall be designated as the district court judge, family court division. No judge may be appointed to serve consecutive terms as the district court judge, family court division.

Sec. 4. [REPEALER.]

Laws 1980, Chapter 612, Section 5, is repealed.

Sec. 5. [EFFECTIVE DATE.]

Sections 1 and 4 are effective for the county fiscal year beginning January 1, 1982 after the filing of local approval certificates pursuant to Minnesota Statutes, Section 645.021, Subdivision 3, by both the city council of the city of St. Paul and the board of county commissioners of Ramsey county.

Sections 2 and 3 shall become effective the day after final enactment and be applicable to incumbent juvenile court and family court judges."

Delete the title and insert:

"A bill for an act relating to local government; changing responsibilities for the administration of the Ramsey county court house and Saint Paul city hall building; authorizing appointment of district court judges to hear cases arising under the juvenile court act for terms up to six years; lengthening the term of the presiding judge of Hennepin County family court division; amending Minnesota Statutes 1980, Sections 260.019, Subdivision 3; 484.65, Subdivision 1; Laws 1974, Chapter 435, Section 3.12; and repealing Laws 1980, Chapter 612, Section 5."

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

Senate Conferées: (Signed) Robert J. Tennessen, Jack Davies, Peter P. Stumpf

House Conferées: (Signed) Kathleen A. Blatz, James I. Rice, Randy C.

Kelly

Mr. Tennessen moved that the foregoing recommendations and Conference Committee Report on S. F. No. 445 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. 445 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

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

Those who voted in the affirmative were:

Ashbach	Frank	Lantry	Peterson, D. L.	Stern
Bang	Hanson	Lessard	Peterson, R. W.	Stokowski
Benson	Hughes	Lindgren	Petty	Stumpf
Berg	Humphrey	Luther	Pillsbury	Taylor
Bernhagen	Johnson	Menning	Ramstad	Tennessen
Bertram	Kamrath	Merriam	Renneke	Vega
Brataas	Knoll	Moe, D. M.	Rued	Waldorf
Dahl	Knutson	Moe, R. D.	Setzepfandt	Wegener
Davis	Kroening	Nelson	Sieloff	Willet
Dieterich	Kronebusch	Olhoft	Sikorski	
Engler	Langseth	Penny	Spear	

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

MOTIONS AND RESOLUTIONS - CONTINUED

S. F. No. 338 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S. F. NO. 338

A bill for an act relating to public employment; eliminating certain part time adult vocational education instructors from the definition of public employee; amending Minnesota Statutes 1980, Section 179.63, Subdivision 7.

May 15, 1981

The Honorable Jack Davies
President of the Senate

The Honorable Harry A. Sieben, Jr.
Speaker of the House of Representatives

We, the undersigned conferees for S. F. No. 338, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S. F. No. 338 be further amended as follows:

Page 1, after line 7, insert:

"Section 1. Minnesota Statutes 1980, Section 177.25, Subdivision 1, is amended to read:

Subdivision 1. No employer shall employ any of his employees for a work-

week longer than 48 hours, unless such employee receives compensation for his employment in excess of 48 hours in a workweek at a rate of not less than one and one-half times the regular rate at which he is employed; (1) provided, however, that an employer if it is the State of Minnesota or a political subdivision may grant time off at the rate of one and one-half hours for each hour worked in excess of 48 hours in any week in lieu of monetary compensation; and, (2) provided, however, that no employer shall be deemed to have violated the overtime pay provisions of this section by employing any employees for a workweek in excess of that specified in this section without paying the compensation for overtime employment prescribed herein (a) if ~~such~~ the employee is ~~so~~ employed under an agreement meeting the requirement of section 7 (b) (2) of the Fair Labor Standards Act of 1938, as amended, or (b) if the employee is employed as a sugarbeet hand laborer on a piece rate basis, provided that the regular rate of pay received per hour of work pursuant to applicable rules exceeds the applicable wage provided in section 177.24, subdivision 1, by at least 40 cents."

Renumber the sections in sequence

Page 2, line 23, delete "This act" and insert "Section 1 is effective the day following final enactment, except that the portion of clause (2) (b) relating to the regular rate of pay received per hour of work by a sugar beet hand laborer shall only be effective until December 31, 1981. Section 2"

Amend the title as follows:

Page 1, line 2, delete "public" and after the semicolon insert "regulating certain hours of work and rates of pay;"

Page 1, line 5, delete "Section" and insert "Sections 177.25, Subdivision 1; and"

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

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

House Conferees: (Signed) Leo J. Reding, Frank J. Rodriguez, Sr.

Mr. Nelson moved that the foregoing recommendations and Conference Committee Report on S. F. No. 338 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S. F. No. 338 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 56 and nays 1, as follows:

Those who voted in the affirmative were:

Ashbach	Dieterich	Lantry	Petty	Stumpf
Bang	Engler	Lessard	Pillsbury	Taylor
Belanger	Frank	Lindgren	Purfeerst	Tennessen
Benson	Hanson	Luther	Ramstad	Ulland
Berg	Hughes	Menning	Renneke	Vega
Bernhagen	Humphrey	Merriam	Rued	Waldorf
Bertram	Kamrath	Moe, R. D.	Setzepfandt	Wegener
Brataas	Knoll	Nelson	Sieloff	Willet
Dahl	Knutson	Pehler	Sikorski	
Davies	Kroening	Penny	Spear	
Davis	Kronebusch	Peterson, D. L.	Stern	
Dicklich	Langseth	Peterson, R. W.	Stokowski	

Mr. Olhoft voted in the negative.

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

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R. D. moved that the Senate revert to the Order of Business of Messages From the House. The motion prevailed.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce 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. 539: A bill for an act relating to family law; allowing joint custody of minor children; providing for acknowledgments of paternity; changing provisions related to venue; providing expedited hearings; changing determination of maintenance and support orders; changing the division of marital property; providing for enforcement of maintenance and support orders; changing requirements for evidence, orders, and decrees; adopting the revised uniform reciprocal enforcement of support act; amending Minnesota Statutes 1980, Sections 257.34, Subdivision 1; 518.003, by adding a subdivision; 518.09; 518.131, Subdivisions 3 and 4, and by adding subdivisions; 518.145; 518.17; 518.54, Subdivision 5; 518.551; 518.58; and 518.64, Subdivision 2; proposing new law coded in Minnesota Statutes, Chapter 518C; repealing Minnesota Statutes 1980, Sections 518.41; 518.42; 518.43; 518.44; 518.45; 518.46; 518.47; 518.48; 518.49; 518.491; 518.50; 518.51; 518.52; and 518.53.

Senate File No. 539 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 15, 1981

CONCURRENCE AND REPASSAGE

Mr. Sieloff moved that the Senate concur in the amendments by the House to S. F. No. 539 and that the bill be placed on its repassage as amended. The motion prevailed.

S. F. No. 539: A bill for an act relating to family law; allowing joint custody of minor children; providing for acknowledgments of paternity; changing pro-

visions related to venue; providing for disposition of certain marital property; providing for child support enforcement fees; amending Minnesota Statutes 1980, Sections 257.34, Subdivision 1; 518.003, by adding a subdivision; 518.09; 518.145; 518.17; 518.551; and 518.58.

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 56 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Dieterich	Lessard	Petty	Stokowski
Bang	Engler	Lindgren	Pillsbury	Stumpf
Belanger	Frank	Luther	Purfeerst	Taylor
Benson	Frederickson	Merriam	Ramstad	Ulland
Berg	Hanson	Moe, D. M.	Renneke	Vega
Bernhagen	Hughes	Moe, R. D.	Rued	Waldorf
Bertram	Humphrey	Nelson	Setzepfandt	Wegener
Brataas	Kamrath	Olhoft	Sieloff	Willet
Dahl	Knoll	Pehler	Sikorski	
Davies	Kroening	Penny	Solon	
Davis	Kronebusch	Peterson, D.L.	Spear	
Dicklich	Lantry	Peterson, R.W.	Stern	

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

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R. D. moved that the Senate proceed to the Order of Business of Reports of Committees. The motion prevailed.

REPORTS OF COMMITTEES

APPOINTMENTS

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

S. F. No. 818: Messrs. Peterson, C. C.; Lessard and Engler.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

Mr. Moe, R. D. from the Committee on Rules and Administration moved to amend the Report from the Committee on Mileage appearing in the Senate Journal for January 29, 1981, as follows:

After "Johnson, Douglas J.460" insert "Kamrath, Randy P.350"

After "Nelson, Tom A.200" delete "Nichols, Jim406"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 58 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Engler	Lantry	Peterson, C. C.	Stern
Bang	Frank	Lessard	Peterson, D. L.	Stokowski
Belanger	Frederickson	Lindgren	Peterson, R. W.	Stumpf
Benson	Hanson	Luther	Petty	Taylor
Bernhagen	Hughes	Menning	Pillsbury	Tennessee
Bertram	Humphrey	Merriam	Purfeerst	Ulland
Brataas	Kamrath	Moe, D. M.	Ramstad	Vega
Dahl	Knoll	Moe, R. D.	Renneke	Waldorf
Davies	Knutson	Nelson	Rued	Wegener
Davis	Kroening	Olhoff	Setzepfandt	Willet
Dicklich	Kronebusch	Pehler	Sikorski	
Dieterich	Langseth	Penny	Spears	

The motion prevailed. So the amendment was adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H. F. No. 1210 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.
				1210	1152

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. Moe, R.D. moved the adoption of the foregoing committee report. The motion prevailed. Report adopted.

SECOND READING OF HOUSE BILLS

H. F. No. 1210 was read the second time.

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate revert to the Order of Business of Messages From the House. The motion prevailed.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 1446 and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 1446 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 15, 1981

CONFERENCE COMMITTEE REPORT ON H. F. NO. 1446

A bill for an act relating to the organization and operation of state government; appropriating money for welfare, corrections, health, and other purposes with certain conditions; providing appropriations for the departments of public welfare, economic security, corrections, health, sentencing guidelines, corrections ombudsman, and health related boards; amending Minnesota Statutes 1980, Sections 241.021, by adding subdivisions; 241.13; 241.69, Subdivision 4; 245.0313; 245.765, Subdivision 1; 246.151; 254A.03, by adding a subdivision; 256.73, Subdivision 2; 256.76, Subdivision 1; 256B.02, Subdivision 8; 256B.06, Subdivision 1; 256B.091, by adding a subdivision; 256B.15; 256B.17; 256D.01, Subdivision 1; 256D.02, Subdivisions 4 and 13; 256D.05, Subdivision 3, and by adding a subdivision; 256D.06, Subdivision 1, and by adding a subdivision; 256D.08, Subdivision 2; 256D.09, Subdivision 1; 256D.11, Subdivisions 1, 8 and 9, and by adding a subdivision; 260.311, Subdivision 5; 393.07, Subdivision 10; 401.04; and 401.12; proposing new law coded in Minnesota Statutes, Chapters 144; 245; 256D and 257; repealing Minnesota Statutes, Sections 256D.06, Subdivisions 1a and 2; 256D.09, Subdivision 2; and 256D.11, Subdivisions 1a, 2a, and 3a.

May 15, 1981

The Honorable Harry A. Sieben, Jr.
Speaker of the House of Representatives

The Honorable Jack Davies
President of the Senate

We, the undersigned conferees for H. F. No. 1446, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H.F. No. 1446 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [WELFARE, CORRECTIONS, HEALTH; APPROPRIATIONS.] The sums set forth in the columns designated "APPROPRIATIONS" are appropriated from the general fund, or any other fund designated, to the agencies and for the purposes specified in the following sections of this act, to be available for the fiscal years indicated for each purpose. The figures "1982", and "1983", wherever used in this act, mean that the appropriation or appropriations listed thereunder shall be available for the year ending June 30, 1982, or June 30, 1983, respectively.

SUMMARY BY FUND

	1982	1983	TOTAL
General	\$774,431,500	\$780,626,900	\$1,555,058,400
Trk. Hwy.	\$ 308,100	\$ 313,800	\$ 621,900

APPROPRIATIONS
Available for the Year
Ending June 30,
1982 1983
\$ \$

Sec. 2. COMMISSIONER OF
PUBLIC WELFARE

Subdivision 1. Total Department

Appropriation \$656,349,200 \$667,036,500

1982 1983
\$ \$

The amounts that may be expended from this appropriation for each program and activity are more specifically described in the following subdivisions of this section.

The amounts shown in the program totals are reduced by \$3,324,300 the first year and \$3,956,700 the second year.

Positions and administrative money may be transferred within the department of public welfare as deemed necessary by the commissioner, upon the advance approval of the commissioner of finance, but no transfer may be made to the executive office.

Subd. 2. Welfare Management 15,275,200 15,324,300

The amounts that may be expended from this appropriation for each activity are as follows:

Special County Aids

1982 1983
\$ 3,158,900 \$ 3,158,900

Reimbursements for general relief - Indians and the Red Lake Band of Chippewa Indians shall be prorated if the appropriation made in this subdivision is insufficient to provide full reimbursement.

Administrative Support

\$12,116,300 \$12,165,400

Estimated federal money to be deposited in the general fund that is earned by the various accounts of the department of public welfare is detailed on the worksheets of the conferees of the senate and house of representatives, a true copy of which is on file in the office of the commissioner of finance. If federal money anticipated is less than shown on the official worksheets, the commissioner of finance shall reduce the amount available from the specific appropriation by a like amount. The reductions shall be noted in the budget document submitted to the 73rd legislature in addition to an estimate of similar federal money anticipated for the 1983-1985 biennium.

If the block grant proposed for federal money becomes law, the commissioner of public welfare shall not distribute any of those moneys until he develops a plan and submits that plan pursuant to Minnesota Statutes, Section 3.30.

Subd. 3. Social Services 60,939,000 61,348,000

The amounts that may be expended from this appropriation for each activity are as follows:

	1982	1983
	\$	\$
Community Social Services Act		
\$43,077,700	\$43,398,000	

Effective January 1, 1983, the commissioner of public welfare shall include the remainder of the appropriations for the cost of care for mentally retarded, cost of care for emotionally disturbed, sharing life in the community, and mentally ill deinstitutionalization in the community social services act. The commissioner may transfer money between the fiscal years of the biennium for the purposes of funding the formula.

Notwithstanding the provisions of Minnesota Statutes, Chapter 256E, a county board may delegate to a county welfare board established pursuant to Minnesota Statutes, Chapter 393, authority to provide, or approve contracts for the purchase of, the kinds of community social services that were provided or contracted for by the county welfare boards prior to the enactment of Laws 1979, Chapter 324. Designation of the method for providing citizen participation in the planning process, final approval of the community social services plan and the distribution of community social services money shall be the responsibility of the county board.

Day Care

\$ 974,900	\$ 974,900
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Cost of Care -

Emotionally Disturbed

\$ 2,464,500	,464,500
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Cost of Care -

Mentally Retarded

\$ 6,265,600	\$ 6,265,600
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Children under State

Guardianship

\$ 1,092,300	\$ 1,092,300
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State funds which would have been expended through the Aid to Families with Dependent Children-Foster Care or Children under State Guardianship accounts may be transferred to the subsidized adoption account, for those children entering the subsidized adoption program, if it can be shown on a case by case review basis that total state dollars will be reduced.

Aging, Blind, and Deaf Services

\$ 5,894,600	\$ 5,977,900
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Social Services Support

\$ 1,169,400	\$ 1,174,800
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Subd. 4. Income Maintenance	436,604,300	448,163,600
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	1982	1983
	\$	\$

The amounts that may be expended from this appropriation for each activity are as follows:

Aid to Families with Dependent Children, Medical Assistance, Minnesota Supplemental Assistance	\$375,270,700	\$385,395,900
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The commissioner of public welfare shall provide supplementary grants, not to exceed \$150,000 per year, for aid to families with dependent children and shall include the following costs in determining the amount of the supplementary grants: major home repairs, repair of major home appliances, utility recaps, supplementary dietary needs not covered by medical assistance, and replacement of essential household furnishings and essential major appliances.

Medical assistance may include personal care services in a recipient's home rendered by an individual, not a member of the family, who is qualified to provide the services, when the services are prescribed by a physician in accordance with a plan of treatment and are supervised by a registered nurse.

In determining the amount of the aid to families with dependent children and general assistance grants, the commissioner of public welfare shall effect a seven percent increase on July 1, 1981 and a seven percent increase on July 1, 1982, unless federal statute or regulation require otherwise.

The moneys received under the state and local fiscal assistance act, known as general revenue sharing, shall be deposited in the medical assistance account and the state appropriation shall be reduced by a like amount.

The monthly payment for attendant care shall be adjusted to \$1,000 per month effective July 1, 1981, and shall be adjusted annually by the same percentage granted to other providers.

Upon executive order of the governor pursuant to section 15.0593, there is created a governor's advisory task force to explore means of providing publicly funded health services within the limits of funds authorized in the biennial budget for fiscal years 1982 and 1983. The task force chairperson and members shall be appointed by the governor. Insofar as possible, cooperation of the appropriate federal agencies shall be obtained. Existing staff resources of the depart-

	1982	1983
\$	\$	

ment of public welfare shall provide support to the task force.

The task force shall conduct a study of publicly funded health care programs and make specific recommendations to the governor regarding changes which are needed to limit expenditures to the amount authorized by the biennial budget for fiscal years 1982 and 1983. The report and subsequent recommendations of the governor shall be submitted to the legislature no later than January 15, 1982.

Before calculating any repayment due to the commissioner for rates effected for the biennium ending June 30, 1983, the commissioner shall allow the provider to reallocate costs for patient care allowed pursuant to Department of Public Welfare Rules 49 and 52. Expenditures for investment allowances, interest, depreciation, leases, and top management compensation shall not exceed the amount specified by the commissioner in the rate determination. Adjustments shall be made within the percentage limit set in this act.

General Assistance and General Assistance Medical Care

\$49,385,200	\$50,554,900
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Income Maintenance Support

\$11,948,400	\$12,212,800
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If the appropriation for aid to families with dependent children, medical assistance, Minnesota supplemental assistance, general assistance and general assistance medical care is insufficient for either year, the appropriation for the other year shall be available by direction of the governor after consulting with the legislative advisory commission.

Subd. 5. Mental Health	146,855,000	146,157,300
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The commissioner of public welfare may fill up to 120 human services technician positions in the state hospitals in addition to the approved complement specified in this subdivision for the purpose of alleviating recruitment delays in direct patient care, as salary savings become available to fund the positions.

The commissioner of public welfare shall not reduce the number of human services technician positions in the state hospital system.

As the hospital population decreases, the supportive staff complement shall be reduced in

	1982	1983
	\$	\$

direct proportion.

The amounts that may be expended from this appropriation for each activity are as follows:

Program Offices

Mentally Ill

\$ 5,117,000	\$ 7,836,800
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Mentally Retarded

\$ 1,733,400	\$ 2,512,700
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The commissioner of public welfare may fund up to 200 families for the mentally retarded family subsidy program.

This appropriation contains \$12,000 each year for the brain-injured persons program. The commissioner of public welfare shall contract with an approved vendor to pay the costs of services provided to brain-injured persons. The commissioner shall contract with a neurosurgeon who is independent of the approved vendor to evaluate, initially and on or about March 1, 1982, each person for whom services are provided under this appropriation to ascertain the person's current stage of neurological development and prognosis for improvement. The neurosurgeon shall send a written report of each evaluation to the commissioner. For the purposes of this appropriation, "approved vendor" means the Institutes for the Achievement of Human Potential.

Chemically Dependent

\$ 1,922,500	\$ 1,929,600
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Any federal money received in excess of the estimates shown in the 1981 budget document shall reduce the state appropriation available by a like dollar amount, unless otherwise directed by the governor, after he has consulted with the legislative advisory commission.

State Hospitals

Approved Complement -

By June 30, 1983 - 5485

Current Expense

\$14,449,000	\$15,450,300
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Salaries

\$107,955,500	\$104,662,100
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Repairs and Betterments

\$ 1,400,100	
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Special Equipment

\$ 521,700	
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	1982	1983
	\$	\$

Notwithstanding the provisions of Minnesota Statutes 1980, Sections 246.50 to 246.53, the commissioner of public welfare shall determine what part of the cost of care for state hospital treatment a patient or his relatives are able to pay. In no case, shall a patient or his relatives, unless they reside outside the state, be ordered to pay more than ten percent of the cost of care.

By July 1, 1981, the chemical dependency and surgical units at Rochester state hospital shall be closed. The remaining units at Rochester state hospital shall be closed no later than June 30, 1982. Best efforts shall be made by the department of administration to sell the buildings and adjoining land within one year from the date of closure, after the commissioner of public welfare has certified to the commissioner of administration pursuant to provisions of Minnesota Statutes, Section 94.09, Subdivision 2, that the state hospital campus is no longer needed by the department of public welfare. Notwithstanding any other law to the contrary, a portion or all of the buildings and the adjacent lands can be sold to anyone.

Prior to the closure date for each unit, the commissioner of public welfare shall arrange for the orderly transfer of all affected patients. The commissioner shall, to the extent possible, provide at least 60 days notice of transfer and allow patients and their parents, spouse or guardian, and the appropriate county agency input regarding the institution or community placement to which the patient is to be transferred.

Effective immediately, the commissioner of employee relations shall monitor the orderly reassignment of affected employees of the state hospital pursuant to authority vested in him by Minnesota Statutes, Section 246.60. The commissioners of public welfare and employee relations shall provide training or other assistance as necessary for employees to aid in this transition. Direct care positions shall be transferred to other state hospitals in the same proportion as patients are transferred. Early retirement shall be encouraged where possible, with full protection for retirement benefits. Notwithstanding any other law an employee who waives his right to transfer to a hospital other than Rochester state hospital or other state employment shall be entitled to severance pay in the amount equal to five percent of the employee's base salary or wage, not to exceed \$500, multiplied by the

	1982	1983
	\$	\$

number of years of state service, but in no case shall the total amount exceed \$5,000.

Quarterly progress reports must be submitted by the commissioner of public welfare to the legislative advisory commission and must include information with respect to the following:

- (a) Employee negotiations;
- (b) Community placement of affected patients;
- (c) Admissions figures; and
- (d) Any other activities affecting closure.

Any savings in excess of the \$7,000,000 projected to result from the closure of the hospital may be directed by the commissioner of public welfare into funding for community facilities for mentally ill, chemically dependent, and mentally retarded persons.

Nursing Homes

Approved Complement -
By June 30, 1983 - 617

Current Expense		
\$ 1,710,700		\$ 1,888,200

Salaries		
\$11,238,300		\$11,298,000

Repairs and Betterments		
\$ 146,500		

Special Equipment		
\$ 68,300		

Mental Health Support		
\$ 592,000		\$ 579,600

Any unexpended balance remaining in the first year for special equipment and repairs and betterments does not cancel but is available for the second year of the biennium.

The information for the budgets for the nursing homes and hospitals shall be submitted to the 1983 legislature on an individual institution basis.

Positions and administrative money may be transferred between the various activities within each subdivision in this section.

Work activity centers in state hospitals shall make available up to 25 percent of their capacity for community referrals. The community referrals will be funded by the division of vocational rehabilitation, will provide sheltered work and

	1982	1983
	\$	\$
work activity, and will be certified under Minnesota Statutes, Chapter 129A.		

Sec. 3. COMMISSIONER OF ECONOMIC SECURITY

Total Department Appropriation	27,145,600	23,535,100
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The amounts that may be expended from this appropriation for each program are as follows:

The amounts shown in the program totals are reduced by \$300,300 the first year and \$312,000 the second year.

Job Service

\$ 3,924,100	\$ 3,924,100
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The appropriation in job service for the summer youth program is available immediately to provide the same level of program for each summer of the biennium as was provided during the summer of 1980. If the appropriation for either year is insufficient, the appropriation from the other year is available for it.

Vocational Rehabilitation Services

\$11,764,300	\$12,819,500
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Money received from workers' compensation carriers for services provided by the division of vocational rehabilitation for the benefit of injured workers shall be deposited in the accounts of the division of vocational rehabilitation and reported in the same ratio to state and federal money expended. If the deposits of the state's share exceed the amount shown on worksheets of the conferees of the senate and house of representatives, the commissioner of finance shall reduce the amounts available from the general appropriation for the division of vocational rehabilitation by the amount of the excess. The federal share of these recoupments shall be deposited as required by federal law, regulation, and guideline.

The commissioner of economic security may expend money received from school districts, governmental subdivisions, mental health authorities, and private nonprofit organizations for the purpose of conducting joint or cooperative vocational rehabilitation programs, and this money is appropriated for these purposes.

Any federal money received in excess of the estimates shown in the 1981 budget document shall reduce the state appropriation available by a like dollar amount, unless otherwise directed by the governor, after he has consulted with the

	1982	1983
	\$	\$

legislative advisory commission.

Training and Community Services

\$11,757,500	\$ 7,103,500
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Local delivery agencies for the weatherization program shall use a minimum of \$25,000 for administrative expenses. However, no more than 7.5 percent of the total state allocation shall be expended for administration of the weatherization program. The department shall provide supplemental administrative funds to compensate for administrative expense associated with the weatherization of rental property. Unexpended administrative funds, and all other state weatherization funds, may be used for labor, materials or repair of equipment, as necessary.

If federal funds are not made available for the Weatherization program, the appropriation for this program in the second year shall be available in the first year. This program is sunsetted when this appropriation expires.

Money appropriated for community action agencies shall be allocated annually under either clause (a) or (b), whichever is more advantageous to the agency.

If the appropriation is insufficient to fully fund each agency, the insufficiency shall be prorated annually among the agencies.

(a) In proportion to the size of the poverty level population served by the agency when compared to the size of the poverty level population in the state; or

(b) If the appropriation of funds for community action agencies shall be equal to or more than that available in fiscal years 1979 and 1980, there shall be in place a "hold-harmless" provision for the allocation of funds among community action agencies. "Hold-harmless" is the amount of funding received by a community action program under the Economic Opportunity Grant Program in the previous fiscal year.

"Poverty level population" means the number of people whose household income is below the poverty line established by the United States Department of Commerce, Bureau of the Census.

The appropriation for the displaced homemaker program includes funds for the purpose of making grants to programs to provide employment and support services to displaced homemakers.

	1982	1983
	\$	\$

This appropriation contains \$3,050,000 in fiscal year 1982 for fuel assistance, but it is not available unless it is required to match federal fuel assistance money. Any unexpended balance remaining in the first year from the \$3,050,000 shall not cancel, but shall be available for the second year.

Sec. 4. COMMISSIONER OF CORRECTIONS

Subdivision 1. Total Department

Appropriation	64,165,500	63,736,500
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The amounts that may be expended from the appropriation for each program and activity are more specifically described in the following subdivisions of this section.

The amounts shown in the program totals are reduced by \$754,800 the first year and \$854,200 the second year.

Positions and administrative money may be transferred within the department of corrections as deemed necessary by the commissioner, upon the advance approval of the commissioner of finance.

Subd. 2. Management Services	3,750,300	3,766,200
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The amounts that may be expended from this appropriation for each activity are as follows:

Subsidy Programs

\$ 1,920,100	\$ 2,064,800
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No new positions eligible for county probation reimbursement under this activity shall be added by any county without the written approval of the commissioner of corrections.

When new positions are approved, the commissioner shall include the cost of those positions in calculating each county's share.

On or before July 1 of each even numbered year, each county or group of counties shall submit to the commissioner of corrections an estimate of the cost for county probation reimbursement. Reimbursement shall be made on the basis of the estimate submitted or the actual expenditure, whichever is less.

Support

\$ 1,830,200	\$ 1,701,400
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The Minnesota Corrections Board is abolished effective June 30, 1982.

\$100,000 is available for fiscal year 1983 to the

	1982	1983
	\$	\$
commissioner of corrections to perform the responsibilities formerly assigned to the Minnesota Corrections Board.		

Subd. 3. Policy and Planning	1,278,600	1,246,100
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Subd. 4. Community Services	17,969,800	18,763,100
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The amounts that may be expended from this appropriation for each activity are as follows:

Support

\$ 4,110,600	\$ 4,218,800
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Community Corrections Act

\$11,339,500	\$12,176,000
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In the Arrowhead region, no less than \$50,000 of the community corrections act subsidy shall be provided annually to the restitution program for women offenders by the counties participating in the act. These subsidy moneys shall be prorated among the participating counties on the basis of need or use as determined by the rules of the commissioner.

In Ramsey and Hennepin counties, no less than \$72,000 of the community corrections act subsidy shall be provided annually to Genesis II. These subsidy moneys shall be prorated among Hennepin and Ramsey counties on the basis of need or use as determined by the rules of the commissioner.

Notwithstanding the provisions of Minnesota Statutes, Chapter 401, no county or group of counties participating in the community corrections act shall be charged any per diem cost of confinement for adults sentenced to the commissioner of corrections for crimes committed on or after January 1, 1981.

Victim Services

\$ 2,519,700	\$ 2,368,300
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The battered women task force is continued to June 30, 1983.

The commissioner of corrections may authorize the use of a percentage of a grant for the operation of an emergency shelter or make a separate grant for the rehabilitation of any facility owned by the grantee and used as a shelter to bring the facility into compliance with state and local laws pertaining to health, fire and safety and to provide security.

Subd. 5. Correctional Institutions	41,921,600	40,815,300
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	1982	1983
	\$	\$
Current Expense		
\$ 8,216,300	\$ 8,367,400	
Salaries		
\$28,549,700	\$29,027,400	
Special Equipment		
\$ 593,000	\$ 182,400	
Repairs and Betterments		
\$ 537,700	\$ 577,500	
Industry		
\$ 1,500,000		

Any unexpended balances in special equipment, repairs and betterments, and industry remaining in the first year does not cancel but is available for the second year of the biennium.

The industries equipment purchased for Oak Park Heights Correctional Facility may be used in Stillwater Correctional Facility. The commissioner of corrections may transfer between facilities for this purpose. The commissioner of corrections is directed to phase down the farm machinery industry and redirect the industry program into light industry operations, and \$1,500,000 of this appropriation is available for that purpose. It is the intention of the legislature that lay-offs are to be avoided during this transition period.

The commissioner of corrections is authorized to enter into an agreement with the appropriate Wisconsin officials for services for Wisconsin corrections purposes. The contract shall be designed to prevent Minnesota from sustaining an operating cost loss. The governor shall submit the plan and contract to the appropriate chairpersons of the house and senate money committees prior to contract execution. Money received from Wisconsin pursuant to the contract is appropriated to the commissioner of corrections for the above purpose.

Health Care		
\$ 2,187,500	\$ 2,301,500	

Education		
\$ 337,400	\$ 359,100	

The commissioner of corrections is directed to open the Minnesota correctional facility - Oak Park Heights, by February 1, 1982. Forty new positions are provided, and \$300,000 is appropriated, for fiscal year 1982, and \$800,000 for the positions for fiscal year 1983. The commissioner may transfer the departmental personnel

	1982	1983
	\$	\$

and available fiscal resources necessary to open the Oak Park Heights facility. \$500,000 for purchase of medical and security supplies and equipment is appropriated to be available November 1, 1981.

Up to \$400,000 is available from the state institutions contingent account for supply and equipment items overlooked in the budget.

Supplies and equipment such as bedding, inmate clothing and other personal items are to be transferred from other institutions.

Sec. 5. SENTENCING GUIDELINES COMMISSION

Salaries, Supplies and Expense	191,000	119,600
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Sec. 6. CORRECTIONS OMBUDSMAN

Salaries, Supplies and Expense	229,900	232,500
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Sec. 7. COMMISSIONER OF HEALTH

Total Department Appropriation	24,076,700	24,390,400
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The amounts that may be expended from this appropriation for each program are as follows:

The amounts shown in the program totals are reduced by \$256,900 the first year and \$270,200 the second year.

Positions and administrative money may be transferred within the department of health as deemed necessary by the commissioner, upon the advance approval of the commissioner of finance.

Preventive and Personal Health

Services

\$ 8,240,300	\$ 8,465,700
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Of the above appropriation, up to \$25,000 shall be used to eliminate the threat to public health from arsenic contamination in an underground disposal site that has resulted in an incident of human poisoning within the last ten years. Such appropriation does not constitute acceptance of any liability on the part of the state.

Any unexpended balance appropriated by Laws 1979, Chapter 336, Section 7 in the program of preventive and personal health services for the purpose of wells, soil and chemical analysis, does not cancel, but is available until June 30, 1982.

Notwithstanding any law to the contrary, the fee

\$ 1982

\$ 1983

the commissioner of health charges for medical laboratory services may increase up to \$3.

Health Systems Quality Assurance
\$ 1,864,200 \$ 1,888,600

Of this appropriation \$308,100 for fiscal year 1982 and \$313,800 for fiscal year 1983 are appropriated from the trunk highway fund for emergency medical services activities.

Notwithstanding the provisions of Minnesota Statutes, Sections 144A.10 and 144.653, the commissioner of health shall conduct inspections and reinspections of health facilities with a frequency and in a manner calculated to produce the greatest benefit to residents within the limits of the resources available to the commissioner. In performing this function, the commissioner may devote proportionately more resources to the inspection of those facilities in which conditions present the most serious concerns with respect to resident health, treatment, comfort, safety and well-being.

These conditions include but are not limited to: change in ownership; frequent change in administration in excess of normal turnover rates; complaints about care, safety, or rights; where previous inspections or reinspections have resulted in correction orders related to care, safety, or rights; and, where persons involved in ownership or administration of the facility have been indicted for alleged criminal activity. Any facility that has none of the above conditions or any other condition established by the commissioner that poses a risk to resident care, safety, or rights shall be inspected once every two years.

The commissioner of health shall require a fee of \$500 prior to undertaking a study of a human service occupation under the authority of Minnesota Statutes, Section 214.13. The fee shall be imposed on an applicant group at the time the application is filed with the commissioner. The fee shall be deposited to the general fund and if the application is accepted it is not refundable.

Health Support Services
\$14,229,100 \$14,306,300

For the purposes of the community health services act, the commissioner of finance may authorize the transfer of money to the community health services activity from the other programs in this section.

The payments for the community health services

1982 1983
\$ \$

act for each county shall be based upon the formula in effect in fiscal year 1981, using the most recent factors. No county, city, group of cities or group of counties shall receive less than the amount received in 1981; however, this appropriation shall be prorated if the amount is insufficient.

If the appropriation for community health services or services to children with handicaps is insufficient for either year, the appropriation for the other year shall be available by direction of the governor after consulting with the legislative advisory commission.

Sec. 8. HEALTH RELATED BOARDS

Subdivision 1. Board of Chiropractic Examiners	51,800	53,300
Subd. 2. Board of Dentistry	220,600	228,800
Subd. 3. Board of Medical Examiners	325,500	338,700
Subd. 4. Board of Nursing	685,600	704,800
Subd. 5. Board of Examiners for Nursing Home Administrators	89,200	91,800

Notwithstanding the provision of Minnesota Statutes, Section 144A.04, Subdivision 5, for the biennium ending June 30, 1983, a nonproprietary retirement home having less than 15 licensed nursing home beds may share the services of a licensed administrator with a nonproprietary nursing home having less than 150 licensed nursing home beds which is located within 25 miles of the retirement home.

Subd. 6. Board of Optometry	40,200	42,200
Subd. 7. Board of Pharmacy	266,200	271,500
Subd. 8. Board of Podiatry	5,600	5,600
Subd. 9. Board of Psychology	89,100	94,400
Subd. 10. Board of Veterinary Medicine	57,900	59,000

Subd. 11. The commissioner of finance shall not permit the allotment, encumbrance, or expenditure of any money appropriated in this section in excess of the anticipated biennial revenues.

Neither this provision nor Minnesota Statutes, Section 214.06 shall apply to transfers from the general contingent account; provided the amount transferred does not exceed the amount of surplus revenue accumulated during the pre-

	1982	1983
	\$	\$

vious five years.

Sec. 9. CONTINGENT FOR STATE INSTITUTIONS

750,000

This appropriation shall be used for emergency purposes and for the purchase of food, clothing, drugs, utilities, and fuel for any of the institutions for which an appropriation is made in this act. No expenditure shall be made from this appropriation without the direction of the governor after consultation with the legislative advisory commission.

Any unexpended balance remaining in the first year does not cancel but is available for the second year of the biennium.

The allowance for food may be adjusted annually according to the United States department of labor, bureau of labor statistics publication wholesale price index, upon the approval of the governor. Adjustments shall be based on the June, 1981, wholesale food price index, but the adjustment shall be prorated if the wholesale food price index adjustment would require money in excess of this appropriation.

Sec. 10. [RECEIPTS.]

For the biennium ending June 30, 1983, all funds, sums of money, or other resources provided or to be received as shown in the biennial budget document or in working papers of the two appropriations committees, including all receipts, collections, legislative allocations, transfers, and other income and receipts properly belonging to and to be used for financing activities, programs, and other projects other than the institutions now or hereafter under the supervision and jurisdiction of the commissioner of public welfare not otherwise specifically designated as income or credits to other state departments or funds by law, shall be accredited to and become a part of the appropriations provided for in section 2, subdivisions 2, 3, and 4. Receipts in excess of those shown in the biennial budget are not available without the approval of the governor, after consultation with the legislative advisory commission.

Sec. 11. [PROVISIONS.]

For the biennium ending June 30, 1983, money appropriated under this act for the purchase of provisions within the item "current expense" shall be used solely for that purpose. The amounts appropriated for provisions are shown on the worksheets of the conferees of the senate and house of representatives; a true copy of which is on file in the offices of the commissioner of finance. Any money so provided and not used for purchase of provisions shall be cancelled into the fund from which appropriated, except that money so provided and not used for the purchase of provisions because of population decreases may be transferred and used for the purchase of medical and hospital supplies with the approval of the governor after consultation with the legislative advisory commission.

Sec. 12. [TRANSFERS.]

Subdivision 1. For the biennium ending June 30, 1983, the commissioner of public welfare, the commissioner of corrections, the commissioner of economic security and the commissioner of health shall not transfer any money to or from personal services, or claims and grants, as shown on the official worksheets of the conferees of the senate and house of representatives, a true copy of which is on file in the office of the commissioner of finance, except for those transfers that have the written approval of the governor, who shall consult with the legislative advisory commission.

Subd. 2. For the biennium ending June 30, 1983, the commissioners of public welfare, corrections, and health by direction of the governor after consulting with the legislative advisory commission may transfer unobligated appropriation balances and positions among all programs.

Sec. 13. [APPROVED COMPLEMENT.]

For the biennium ending June 30, 1983, the approved complements indicated in this act are fulltime equivalent positions and apply only to positions paid for with money appropriated by this act.

Additional employees over the number of the approved complement may be employed on the basis of public necessity or emergency with the written approval of the governor, but the governor shall not approve the additional personnel until he has consulted with the legislative advisory commission. Any requests for increases in the approved complement shall be forwarded to the appropriate committees on finance of the legislature not less than 30 days prior to the legislative advisory commission meeting.

Sec. 14. [RULE PROMULGATION.]

For the biennium ending June 30, 1983, the commissioner of public welfare, the commissioner of economic security, the commissioner of corrections, the commissioner of health and the various health-related boards shall not promulgate nor implement any rules which will increase state expenditures by more than \$50,000 during the biennium without the review by, and approval of the governor, after consultation with the legislative advisory committee.

Sec. 15. [144.0742] [CONTRACTS FOR PROVISION OF PUBLIC HEALTH SERVICES.]

The commissioner of health is authorized to enter into contractual agreements with any public or private entity for the provision of statutorily prescribed public health services by the department. The contracts shall specify the services to be provided and the amount and method of reimbursement therefor. Funds generated in a contractual agreement made pursuant to this section are appropriated to the department for purposes of providing the services specified in the contracts. All such contractual agreements shall be processed in accordance with the provisions of Minnesota Statutes, Section 16.098.

Sec. 16. Minnesota Statutes 1980, Section 241.021, is amended by adding subdivisions to read:

Subd. 4. [HEALTH CARE.] The commissioner of corrections shall provide professional health care to persons confined in institutions under the control of the commissioner of corrections and pay the costs of their care in hospitals and other medical facilities not under the control of the commissioner of corrections, including the secure treatment unit operated by the St. Paul - Ramsey Hospital. All reimbursements for these health care services shall be deposited in the general fund.

Subd. 5. [SALES TO DEPARTMENT OF ADMINISTRATION.] July 1 of each year and quarterly thereafter, the commissioner of corrections shall notify the commissioner of administration of the articles, supplies, and services available from industrial activities conducted at state correctional institutions, and the commissioner of administration shall purchase from the state correctional institutions those articles, supplies, and services needed by state departments and agencies, unless the commissioner of corrections certifies that the correctional institutions cannot provide them at a price within five percent of the fair market price for comparable level of quality and within a reasonable delivery time. In determining the fair market price the commissioner of administration shall use competitive bidding or consider open market bid prices in previous years for similar products and services, plus inflationary increases.

Sec. 17. Minnesota Statutes 1980, Section 241.13, is amended to read:

241.13 [CONTINGENT FUNDS ACCOUNT; DAMAGE DEPOSITS; CORRECTIONAL INSTITUTIONS.]

Subdivision 1. [CONTINGENT FUNDS ACCOUNT.] The commissioner of corrections may permit a contingent fund account to remain in the hands of the accounting officer of any such institution from which expenditures may be made in case of actual emergency requiring immediate payment to prevent loss or danger to the institution or its inmates and for the purpose of paying freight, purchasing produce, livestock and other commodities requiring a cash settlement, and for the purpose of discounting bills incurred, but in all cases subject to revision by the commissioner of corrections. An itemized statement of every expenditure made during the month from such fund account shall be submitted to the commissioner under rules established by him. If necessary, the commissioner shall make proper requisition upon the commissioner of finance for a warrant upon the state treasurer to secure the contingent fund account for each institution.

Subd. 2. [DAMAGE DEPOSITS.] The commissioner of corrections shall collect a damage deposit from all staff who reside in housing on the grounds of the Thistledeew Corrections Camp at Togo, Minnesota and deposit the moneys in a savings account in a bank at interest. Withdrawals therefrom may be made to defray the cost of any damage to the residence caused by the tenant or to return the deposit to the tenant with accrued interest if the residence is vacated without damage. The commissioner shall keep accurate records in the name of each tenant so that the interest may be credited to the proper account.

Sec. 18. Minnesota Statutes 1980, Section 241.69, Subdivision 4, is amended to read:

Subd. 4. [COMMITMENT.] If the examining physician or psychologist finds the person to be mentally ill and in need of long term care in a hospital, or if an inmate transferred pursuant to subdivision 3 refuses to voluntarily participate in the treatment program at the psychiatric unit, the chief executive officer of the institution or other person in charge shall initiate proceedings for judicial commitment as provided in section 253A.07. Upon the recommendation of the physician or psychologist and upon completion of the hearing and consideration of the record, the court may commit the person to the psychiatric unit established in subdivision 1 or to another hospital. A person confined in a state correctional institution for adults who has been adjudicated to be mentally ill and in need of treatment may be committed to the commissioner of corrections and placed in the psychiatric unit established in subdivision 1.

Sec. 19. [245.74] [EQUALIZATION AID TO COUNTIES; OTHER AIDS.]

Subdivision 1. [FORMULA.] The commissioner of public welfare shall pay equalization aid to counties based upon the appropriation and a formula that includes four factors: recipient rate, per capita income, per capita taxable value, and per capita expenditures for welfare.

Subd. 2. [EXPENDITURES FOR WELFARE.] (a) For the purposes of equalization aid, "expenditures for welfare" include all forms of public assistance and the administrative costs thereof, to-wit: medical assistance, aid to families with dependent children, Minnesota supplemental aid, payments to the commissioner of public welfare for care and treatment of patients in state institutions, medical relief, hospital charges, maintenance of children not under state guardianship, general assistance, and all administrative costs except university hospitals care, care of children under state guardianships, and poor burials.

(b) Salary expenditures for computation of equalization aid shall not be included in county expenditures for welfare or for purposes of computing county per capita expenditures for welfare.

Subd. 3. [PAYMENT.] Initial payments for equalization aid to counties shall be made on or before October 1 each fiscal year. Final payments shall be made before January 1 of the following fiscal year.

Subd. 4. [TRANSFERS.] The commissioner shall not pay equalization aid to a county if it has transferred any money available for welfare purposes to any other county funds, except that where money is otherwise unavailable, a county may transfer money to the general revenue fund of the county for payment of rent of office space for the county welfare board. The county shall make the transfer only with the approval of the governor after consultation with the legislative advisory commission. Transfer of money to pay rent shall not be considered an expenditure for welfare for purposes of equalization aid reimbursement. Any federal money received in lieu of taxes because of federal grants shall be available for welfare purposes.

Subd. 5. [LIMIT.] A county shall not receive from state money paid for equalization aid an amount in excess of 75 percent of its expenditures for welfare as defined in subdivision 2.

Sec. 20. Minnesota Statutes 1980, Section 245.765, Subdivision 1, is amended to read:

Subdivision 1. The commissioner of public welfare, to the extent that state and federal money is available therefor, shall reimburse any county for all welfare costs expended by the county to any Indian who is an enrolled member of the Red Lake Band of Chippewa Indians and resides upon the Red Lake Indian Reservation. The commissioner may advance payments to a county on an estimated basis subject to audit and adjustment at the end of each state fiscal year. Reimbursements shall be prorated if the state appropriation for this purpose is insufficient to provide full reimbursement.

Sec. 21. Minnesota Statutes 1980, Section 246.151, is amended to read:

246.151 [COMPENSATION PAID TO PATIENT.]

Subdivision 1. [COMPENSATION.] Notwithstanding any law to the contrary, the commissioner of public welfare is authorized to provide for the payment to patients or residents of state institutions under his management and

control of such pecuniary compensation as he may deem proper, the amount of compensation to depend upon the quality and character of the work performed as determined by the commissioner and the chief executive officer, but in no case less than 25 percent of the minimum wage established pursuant to section 177.24.

Subd. 2. [IMPREST CASH FUND.] The commissioner of public welfare may establish an imprest cash fund at each of the state operated residential facilities to be utilized for payment to residents participating in on-campus work programs.

Sec. 22. Minnesota Statutes 1980, Section 256B.15, is amended to read:

256B.15 [CLAIMS AGAINST ESTATES.]

If a person receives any medical assistance hereunder, on his death, if he is single, or on the death of ~~such~~ the person and his surviving spouse, if he is married, and only at a time when he has no surviving child who is under 21 or is blind or totally disabled, the total amount paid for medical assistance rendered for ~~such~~ the person, after age 65, without interest, shall be filed as a claim against the estate of ~~such~~ the person in the court having jurisdiction to probate the estate. ~~Such~~ The claim shall be considered an expense of last illness for the purpose of Minnesota Statutes 1965, Section 525.44. Any statute of limitations that purports to limit any county agency or the state agency, or both, to recover for medical assistance granted hereunder shall not apply to any claim made hereunder for reimbursement for any medical assistance granted hereunder. *Counties may retain one half of the non-federal share of medical assistance collections from estates that are directly attributable to county effort.*

Sec. 23. [256D.42] [SUPPLEMENTAL AID; ADJUSTMENTS.]

Subdivision 1. [PERSONAL NEEDS ALLOWANCE.] Recipients of Minnesota supplemental aid living in nonmedical congregate care or foster care shall receive the same personal needs allowance as recipients of medical assistance residing in intermediate care facilities.

Subd. 2. [COST OF LIVING.] The commissioner of public welfare shall adjust the benefits payable to the aged, blind and disabled recipients pursuant to sections 256D.36 and 256D.37 who do not reside in congregate care or foster care facilities in an amount equivalent to the cost of living adjustments in the federal supplemental security income program.

Sec. 24. Minnesota Statutes 1980, Section 393.07, Subdivision 10, is amended to read:

Subd. 10. [FEDERAL FOOD STAMP PROGRAM.] The county welfare board shall establish and administer the food stamp program pursuant to rules of the commissioner of public welfare and federal regulations. *The county welfare board shall participate in a food stamp quality control system subject to the supervision of the commissioner of public welfare and pursuant to federal regulations.*

Any person who commits any of the following acts is guilty of theft and shall be sentenced pursuant to section 609.52, subdivision 3, clauses (1), (2), and (5):

(a) Obtains or attempts to obtain, or aids or abets any person to obtain by

means of a wilfully false statement or representation, or intentional concealment of a material fact, food stamps to which he is not entitled or in an amount greater than that to which he is entitled; or

(b) Presents or causes to be presented, coupons for payment or redemption knowing them to have been received, transferred or used in a manner contrary to existing state or federal law; or

(c) Willfully uses or transfers food stamp coupons or authorization to purchase cards in any manner contrary to existing state or federal law.

The amount of food stamps incorrectly issued shall be the difference between the amount of food stamps actually received and the amount to which the recipient would have been entitled under state and federal law had the welfare agency been informed of all material facts. The amount of any food stamps determined to have been incorrectly issued, used, transferred or presented shall, unless otherwise determined by the county welfare board in order to prevent undue hardship, be recoverable from the recipient, or user, or his estate by the county as a debt due the county.

Sec. 25. Minnesota Statutes 1980, Section 401.04, is amended to read:

401.04 [ACQUISITION OF PROPERTY; SELECTION OF ADMINISTRATIVE STRUCTURE; EMPLOYEES.]

Any county or group of counties electing to come within the provisions of sections 401.01 to 401.16 may (a) acquire by any lawful means, including purchase, lease or transfer of custodial control, the lands, buildings and equipment necessary and incident to the accomplishment of the purposes of sections 401.01 to 401.16, (b) determine and establish the administrative structure best suited to the efficient administration and delivery of the correctional services described in section 401.01, and (c) employ a director and other officers, employees and agents as deemed necessary to carry out the provisions of sections 401.01 to 401.16. To the extent that participating counties shall assume and take over state correctional services presently provided in counties, employment shall be given to those state officers, employees and agents thus displaced; if hired by a county, employment shall, to the extent possible and notwithstanding the provisions of any other law or ordinance to the contrary, be deemed a transfer in grade with all of the benefits enjoyed by such officer, employee or agent while in the service of the state.

State employees displaced by county participation in the subsidy program provided by this chapter are on layoff status and, if not hired by a participating county as provided herein, may exercise their rights under layoff procedures established by law or union agreement whichever is applicable.

State officers and employees displaced by a county's participation in the community corrections act and hired by the participating county shall retain all fringe benefits and recall from layoff benefits accrued by seniority and enjoyed by them while in the service of the state.

Sec. 26. Minnesota Statutes 1980, Section 401.12, is amended to read:

401.12 [CONTINUATION OF CURRENT SPENDING LEVEL BY COUNTIES.]

Participating counties shall not diminish their current level of spending for

correctional expenses as defined in section 401.01, to the extent of any subsidy received pursuant to sections 401.01 to 401.16; rather the subsidy herein provided is for the expenditure for correctional purposes in excess of those funds currently being expended. Should a participating county be unable to expend the full amount of the subsidy to which it would be entitled in any one year under the provisions of sections 401.01 to 401.16, the commissioner shall retain the surplus, subject to disbursement in the following year wherein such county can demonstrate a need for and ability to expend same for the purposes provided in section 401.01. *If in any biennium the subsidy is increased by an inflationary adjustment which results in the county receiving more actual subsidy than it did in the previous calendar year, the county shall be eligible for that increase only if the current level of spending is increased by a percentage equal to that increase within the same biennium.*

ARTICLE II

INCOME MAINTENANCE PROGRAMS, REDUCTIONS AND COST CONTROLS

Section 1. [ALLOWABLE INCREASE IN COST PER SERVICE UNIT.]

For the biennium ending June 30, 1983, the annual increase in the cost per service unit paid to any vendor under medical assistance and general assistance medical care shall not exceed eight percent. The period for measuring growth shall be the state fiscal year.

Sec. 2. [LIMITATIONS ON FEES.]

Subdivision 1. All payments for vendors of medical care under medical assistance and general assistance medical care shall be limited to the 50th percentile of usual and customary fees based upon billings during calendar year 1978 for physician services, dental care, vision care, podiatric services, chiropractic care, mental health centers, psychologists, public health clinics, and independent laboratory and x-ray services.

Subd. 2. [GENERAL ASSISTANCE MEDICAL CARE.] (a) Notwithstanding the provisions of Minnesota Statutes, Sections 256D.01 to 256D.21 and 261.23, or any other law to the contrary, for the biennium ending June 30, 1983, state aid shall be paid to local agencies or counties for 90 percent of general assistance medical care paid by the local agency or county on behalf of persons eligible for general assistance or persons meeting the income and resource criteria established in the program for aid to families with dependent children. Nothing in this provision shall be construed to modify the spenddown required in appropriate cases for general assistance medical care. Reimbursement for medical care provided under Minnesota Statutes, Sections 256D.01 to 256D.21 or 261.23 shall be limited to the following categories of service only: inpatient hospital care, outpatient hospital care, prescription drugs, physician's services, medical transportation, and dental care. In addition, payments of state aid shall be made for medications prescribed for persons who have been diagnosed as mentally ill as necessary to prevent more restrictive institutionalization.

(b) At the option of the county board and with the approval of the commissioner of public welfare, reimbursement for inpatient hospital care, outpatient hospital care, and prescription drugs may be limited to designated medical care providers.

(c) *The commissioner of public welfare may reduce payments provided under Minnesota Statutes, Sections 256D.01 to 256D.21 and 261.23 in order to remain within the amount appropriated for general assistance medical care, within the following restrictions: Reductions below the cost per service unit allowable under medical assistance pursuant to chapter 256B shall be permitted only as follows: payments for inpatient and outpatient hospital care provided in response to a primary diagnosis of chemical dependency or mental illness may be reduced no more than 45 percent; payments for all other inpatient hospital care may be reduced no more than 35 percent; and payments for the remaining general assistance medical care services allowable under this provision may be reduced no more than 25 percent.*

(d) *If the commissioner or county refuses to pay all or part of the charge for a health service, they shall not be liable for the unpaid portion of the charge. Any county may, from its own resources, provide medical payments for which state payments are not made.*

Sec. 3. [LIMITATION ON INPATIENT CHEMICAL DEPENDENCY TREATMENT.]

The commissioner of public welfare shall limit medical assistance and general assistance medical care reimbursement for treatment of alcoholism, chemical dependency or drug addiction which is rendered in a licensed hospital or certified nursing home to 10 days unless need for extended care is certified by the attending physician.

Sec. 4. Minnesota Statutes 1980, Section 16.851, is amended by adding a subdivision to read:

Subd. 3. Nothing in the state building code shall require that each door entering a sleeping room from a corridor in a nursing home with an approved complete standard automatic fire extinguishing system be constructed or maintained as self-closing or automatically closing.

Sec. 5. Minnesota Statutes 1980, Section 144A.08, is amended by adding a subdivision to read:

Subd. 1a. [CORRIDOR DOORS.] Nothing in the rules of the commissioner of health shall require that each door entering a sleeping room from a corridor in a nursing home with an approved complete standard automatic fire extinguishing system be constructed or maintained as self-closing or automatically closing.

Sec. 6. Minnesota Statutes 1980, Section 145.913, is amended by adding a subdivision to read:

Subd. 1a. [MULTI-COUNTY BOARDS.] A county that elects to implement the provisions of the community health services act by organizing a multi-county board of health jointly with another county or counties under the provisions of section 471.59 may reserve and assign to a single county board of health organized under the provisions of section 145.913, subdivision 1, any powers and duties previously assigned by law to boards of health pursuant to section 145.01, and sections 145.47 to 145.55, any powers and duties previously assigned by law to public health nursing and home health services agencies pursuant to sections 145.08 to 145.125, and any discretionary authority of a board of health as provided in section 145.914.

Sec. 7. Minnesota Statutes 1980, Section 145.914, Subdivision 2, is amended to read:

Subd. 2. [POWERS.] In addition to any other powers assigned to a board of health by sections 145.911 to 145.921, the board of health for a county or city eligible for a subsidy under section 145.917 shall possess all the powers and duties now assigned by law to local boards of health pursuant to section 145.01, and to public health nursing and home health services agencies pursuant to sections 145.08 to 145.125, provided however that this subdivision shall not supersede or otherwise change the powers and duties of any city or township eligible for the subsidy under the provisions of section 145.917, or of any city of the first or second class with an existing program of community health services located within a county with a population of 300,000 or more persons until the city council of said city shall take action to allow the county to preempt the powers and duties of said city. Not later than 365 days after the approval of the community health services plan by the state commissioner of health, any ~~county or city board, committee or commission having authorities or duties in any area designated in sections 145.911 to 145.921 other than the board of health designated and acting pursuant to sections 145.911 to 145.921~~ township, city, or county board of health organized under the provisions of section 145.01 and any public health nursing committee organized under the provisions of sections 145.08 to 145.125, shall cease its operation and no per diem or reimbursement of expenses shall be paid to any member of the board, committee, or commission; provided, however, that any city or township eligible for the subsidy under the provisions of section 145.917, and any city of the first or second class with an existing program of community health services located in a county with a population of 300,000 or more persons may continue operations and the payment of per diem and reimbursement of expenses.

Sec. 8. [145.97] [HILL-BURTON PROGRAM; RULES.]

The commissioner of health may promulgate temporary rules under section 15.0412, subdivision 5 to implement and enforce the provisions of 42 United States Code, Sections 291c(e), 291e(b)(3), 300s(3), 300s-1(b)(1)(K), or 300s-6, and the provisions of regulations promulgated by the United States secretary of health and human services pursuant to 42 United States Code, Sections 291c(e) or 300s(3), known as the Hill-Burton program. The commissioner shall maintain records on the number and nature of complaints received and any actions taken to implement or enforce the Hill-Burton laws and rules.

Sec. 9. [241.70] [PROGRAMS FOR WOMEN OFFENDERS.]

Subdivision 1. [TYPE OF PROGRAMS.] Adult women charged with or convicted of crimes shall be provided a range and quality of programming substantially equivalent to programming offered male persons charged with or convicted of crimes. Programs for women offenders shall be based upon the special needs of women offenders.

Subd. 2. [MODEL PROGRAMS.] Within the limits of money appropriated, the commissioner of corrections shall provide model programs for women offenders which respond to statewide needs and geographical areas and shall award grants for the programs. Listed in the order of importance, the programs shall:

- (a) Respond in a rehabilitative way to the type of offenses women offenders

generally commit;

(b) Respond to the problems of women offenders with dependent children;

(c) Respond to the importance of developing independent living skills;

(d) Assist women offenders to overcome their own extreme degree of dependency;

(e) Prepare to offer technical assistance and training toward the implementation of other similar programs when requested by local communities.

Subd. 3. [COUNTY PLANS.] Counties shall annually submit a plan to the commissioner of corrections for approval which provides for services to women offenders in their area and which incorporates criteria for model programs established by the commissioner. Counties may agree to cooperate in preparing a joint plan and may submit and administer their plan jointly.

Sec. 10. [241.71] [CREATION OF ADVISORY TASK FORCE.]

Within 60 days after the effective date of sections 9 to 12, the commissioner of corrections shall appoint an advisory task force on the woman offender in corrections. The task force shall have at least ten but no more than 20 members and shall reflect a statewide geographical representation. The provisions of Minnesota Statutes, Section 15.059, Subdivision 6, shall govern the terms, expenses, and removal of members of the advisory task force.

Sec. 11. [241.72] [PROGRAM FUNDING.]

Subdivision 1. [GRANTS IN AID.] To assist those counties that have existing programs for the woman offender, and to encourage counties to develop and implement programs, the commissioner of corrections, from funds appropriated for the purposes of sections 9 to 12, shall make grants in aid not to exceed 40 percent of the costs of the programs in those counties electing to participate in the grant program established by sections 9 to 12.

Subd. 2. [APPLICATIONS.] To qualify for the grants in aid provided under this section, those counties with existing programs and those counties that want to participate shall, by resolution of the county board, request that they be allowed to participate and submit a plan in accordance with the provisions of section 9, subdivision 3, and the rules of the commissioner.

Subd. 3. [MULTI-COUNTY PROGRAMS; LOCAL MATCHING FUNDS.] Where several counties combine to provide one or more of the programs under sections 9 to 12, the 60 percent local matching funds shall be borne proportionately by the participating counties on the basis of need or use as determined by the rules of the commissioner.

Sec. 12. [241.73] [DUTIES OF COMMISSIONER.]

The commissioner of corrections shall:

(a) Review all county plans for model programs for women offenders;

(b) Choose model programs and award grants for programs;

(c) Appoint the members of the advisory task force created under section 10 and provide staff and other administrative services to the advisory task force;

(d) Consult with the state advisory task force on the woman offender in

corrections before making a choice of the programs eligible for funding;

(e) Monitor the delivery of services sought under this act; and

(f) Establish by rule a method of determining the amount of contribution to be made by each county where two or more counties combine to provide one or more programs under sections 9 to 12.

Sec. 13. Minnesota Statutes 1980, Section 245.0313, is amended to read:

245.0313 [AID TO THE DISABLED; MENTALLY RETARDED.]

Notwithstanding any provision of law to the contrary, the cost of care not met by federal funds for any mentally retarded patient eligible for the medical assistance program or the supplemental security income for the aged, blind and disabled program in institutions under the control of the commissioner of public welfare shall be paid ~~for from state funds~~ by the state and county in the same proportion as provided in section 256B.19 for division of costs.

Sec. 14. [245.73] [GRANTS FOR RESIDENTIAL SERVICES FOR ADULT MENTALLY ILL PERSONS.]

Subdivision 1. [COMMISSIONER'S DUTY.] The commissioner shall establish a statewide program to assist counties in ensuring provision of services to adult mentally ill persons. The commissioner shall make grants to county boards to provide community based services to mentally ill persons through facilities licensed under sections 245.781 to 245.813.

Subd. 2. [APPLICATION; CRITERIA.] County boards may submit an application and budget for use of the money in the form specified by the commissioner. The commissioner shall make grants only to counties whose applications and budgets are approved by the commissioner. The commissioner shall give first priority to residential facilities for adult mentally ill persons operating as of July 1, 1980, to meet licensing requirements of the commissioner pursuant to sections 245.781 to 245.813. Funds shall not be used to supplant or reduce local, state, or federal expenditure levels supporting existing resources unless the reduction in available moneys is the result of a state or federal decision not to refund an existing program. State funds received by a county pursuant to this section shall be used only for direct service costs. Both direct service and other costs, including but not limited to renovation, construction or rent of buildings, purchase or lease of vehicles or equipment as required for licensure as a facility for adult mentally ill persons under sections 245.781 to 245.812, may be paid out of the matching funds required under subdivision 3 of this section. Neither the state funds nor the matching funds shall be used for room and board costs.

Subd. 3. [FORMULA.] Grants made pursuant to this section shall finance 75 percent of the county's costs of expanding or providing services for adult mentally ill persons in residential facilities as provided in subdivision 2.

Subd. 4. [RULES; REPORTS.] The commissioner shall promulgate a temporary and permanent rule to govern grant applications, approval of applications, allocation of grants, and maintenance of service and financial records by grant recipients. The commissioner shall require collection of data for compliance, monitoring and evaluation purposes and shall require periodic reports to demonstrate the effectiveness of the services in helping adult mentally ill persons remain and function in their own communities. The commis-

sioner shall report to the legislature no later than December 31 of each even-numbered year as to the effectiveness of this program and recommendations regarding continued funding.

Sec. 15. Minnesota Statutes 1980, Section 245.802, is amended by adding a subdivision to read:

Subd. 3. A residential facility that is federally certified as an intermediate care facility serving adult mentally ill persons on the effective date of this section shall not be denied a program license on the basis of any rule that requires physical plant specifications regarding the alteration of a certain number of beds and a certain number or size of living areas per treatment unit which would require the facility to alter its total number of beds.

Sec. 16. Minnesota Statutes 1980, Section 245.812, is amended by adding a subdivision to read:

Subd. 7. Residential facilities for adult mentally ill persons established on or before July 1, 1980, are exempt from the requirements of this section until July 1, 1984. The commissioner shall develop a mechanism for ensuring full compliance with this section by residential facilities for adult mentally ill persons by July 1, 1984.

Sec. 17. Minnesota Statutes 1980, Section 246.54, is amended to read:

246.54 [LIABILITY OF COUNTY; REIMBURSEMENT.]

The patient's county shall pay ~~annually~~ to the state of Minnesota ~~\$10 for each month or portion thereof the patient spends at a state hospital. Any portion of said amount actually received by the state of Minnesota from the patient and his relatives shall be credited to said county~~ a portion of the cost of care provided in a state hospital to a patient legally settled in that county. A county's payment shall be made from the county's own sources of revenue and payments shall be paid as follows: payments to the state from the county shall equal ten percent of the per capita rate, as determined by the commissioner, for each day, or the portion thereof, that the patient spends at a state hospital. If payments received by the state under sections 246.50 to 246.53 exceed 90 percent of the per capita rate, the county shall be responsible for paying the state only the remaining amount. The county shall not be entitled to reimbursement ~~therefor~~ from the patient, ~~his the patient's~~ estate, or ~~his~~ from the patient's relatives, except as provided in section 246.53. No such payments shall be made for any patient who was last committed prior to July 1, 1947.

Sec. 18. Minnesota Statutes 1980, Section 254A.03, is amended by adding a subdivision to read:

Subd. 3. The commissioner of public welfare shall establish criteria to be used in determining the appropriate level of chemical dependency care, whether outpatient, inpatient or short-term treatment programs, for each recipient of public assistance seeking treatment for alcohol or other drug dependency and abuse problems. The criteria shall address, at least, the family relationship, past treatment history, medical or physical problems, arrest record, and employment situation.

Sec. 19. Minnesota Statutes 1980, Section 256.73, Subdivision 2, is amended to read:

Subd. 2. [ALLOWANCE BARRED BY OWNERSHIP OF PROPERTY.]

Except as provided in clause (3), the ownership by father, mother, child, children, or any combination thereof, of property as follows shall be a bar to any allowance under sections 256.72 to 256.87:

(1) Real property other than the homestead, except as described in clause (3). *For the purposes of this section "homestead" means the house owned and occupied by the applicant as his dwelling place, together with the land upon which it is situated and an area no greater than two contiguous lots in a platted or laid out city or town or the smallest parcel allowed under applicable zoning regulations in unplatted land; or*

(2) Personal property of a reasonable market value in excess of ~~\$600~~ \$400 for a one child recipient or ~~\$1,000~~ \$600 for more than one child recipient, exclusive of personal property used as the home, one automobile, insurance carried by a parent which does not exceed a cash surrender value of \$500, clothing and necessary household furniture and equipment, the earnings of a dependent child which are placed in a savings account to be used for a future purpose approved by the county agency in accordance with the rules of the commissioner of public welfare, and such property that produces a net income applicable to the family's needs.

(3) Real estate not used as a home which produces net income applicable to the family's needs ~~or~~, which the family is making a continuing effort to sell at a fair and reasonable price, *or the sale of which would net an insignificant amount of income applicable to the families or would cause undue hardship, as determined by the commissioner*, shall not be a bar to an allowance under sections 256.72 to 256.87. Net income shall be the residue after payment from gross income of taxes, insurance, maintenance, and interest on encumbrances, if any, on the property, provided that in computing net income the gross income shall not be charged with any expenses toward betterment of the property as improvements or by payment on the principal of a mortgage; provided, that the net income thus derived shall be applied on the family budget.

Sec. 20. Minnesota Statutes 1980, Section 256.76, Subdivision 1, is amended to read:

Subdivision 1. Upon the completion of such investigation the county agency shall decide whether the child is eligible for assistance under the provisions of sections 256.72 to 256.87, determine the amount of such assistance, and the date on which such assistance shall begin. *The first month's grant shall be based upon that portion of the month from the date of application, or from the date that the applicant meets all eligibility factors, whichever occurs later, provided that on the date that assistance is first requested, the local agency shall inquire and determine whether the person requesting assistance is in immediate need of food, shelter, clothing, or other emergency assistance. If an emergency need is found to exist, the applicant shall be granted assistance pursuant to section 256.871 within a reasonable period of time.* It shall make a grant of assistance which shall be binding upon the county and be complied with by the county until such grant is modified or vacated. The county agency shall notify the applicant of its decision in writing. Such assistance shall be paid monthly to the applicant or to the vendor of medical care upon order of the county agency from funds appropriated to the county agency for this purpose. The county agency shall, upon the granting of assistance under these sections,

file an order on the form to be approved by the state agency with the auditor of the county and thereafter warrants shall be drawn and payments made only in accordance with this order to or for recipients of this assistance or in accordance with any subsequent order.

Sec. 21. Minnesota Statutes 1980, Section 256.87, is amended to read:

256.87 [CONTRIBUTION BY PARENTS; AMENDMENTS; REPEALS.]

Subdivision 1. [ACTIONS AGAINST PARENTS FOR ASSISTANCE FURNISHED.] *If At any time during the continuance of any assistance to a child granted under sections 256.72 to 256.87 the state agency or county agency finds that any parent of any child receiving assistance is reasonably able to contribute to the necessary care and support of the recipient without undue hardship to himself or his immediate family and the person so able to contribute to the care and support of the recipient fails or refuses to contribute according to his ability to the care and support of the recipient, then, after notice to the person, there shall exist a cause of action against this person a parent of a child is liable for the amount of assistance furnished under sections 256.72 to 256.87 subsequent to the notice, or any part thereof as the person during the two years immediately preceding the commencement of the action which the parent is reasonably able to pay. The action may be ordered by the state agency or county agency and shall be brought in the name of the county by the county attorney of the county in which the assistance was granted, or by the state agency against this person the parent for the recovery of the amount of assistance granted after the notice, as hereinbefore provided, together with the costs and disbursements of the action.*

Subd. 1a. [CONTINUING CONTRIBUTIONS.] In addition to granting the county or state agency a money judgment, the court may, upon a motion or order to show cause, order continuing contributions by a person parent found able to reimburse the county or state agency. The order shall be effective only for the period of time during which the recipient receives public assistance from the county or state agency. An order for continuing contributions is reinstated without further hearing upon notice to the parent by the county or state agency that assistance is again being provided for the child of the parent under sections 256.72 to 256.87. The notice shall be in writing and shall indicate that the parent may request a hearing for modification of the amount of support or maintenance, the amount required to be paid, and the conditions under which income withholding can occur. In any order modifying the amount of support or maintenance, the court may, if appropriate, make the modification retroactive to the date of automatic reinstatement.

Subd. 2. [NOT TO BE VESTED RIGHT.] All assistance granted under those sections shall be deemed to be granted and to be held subject to the provisions of any amending or repealing act that may hereafter be passed and . No recipient shall have any claim for compensation, or otherwise, by reason of his assistance being affected in any way by any amending or repealing act.

Sec. 22. Minnesota Statutes 1980, Section 256.872, is amended to read:

256.872 [PERSONS OBLIGATED TO PAY FOR SUPPORT OF SPOUSE OR DEPENDENT CHILD, ORDER TO EMPLOYER TO WITHHOLD.]

Subdivision 1. [WITHHOLDING ORDER.] Whenever an obligation for support of a dependent child or maintenance of a spouse, or both, has been

determined and ordered by a court of this state, the public agency responsible for child support enforcement may ~~petition move~~ and the district or county court ~~for shall grant~~ an order providing for the withholding of the amount of child support or maintenance as determined by court order, from the ~~wages income, regardless of source~~ of the person obligated to pay ~~said the support or maintenance. This order may be granted upon a showing to the court that said required payments of support are not likely to be made to the persons entitled thereto when due.~~ "Income" means any form of periodic payments to an individual, including, but not limited to, wages, salary, income as an independent contractor, workers' compensation, unemployment compensation, annuity, military and naval retirement, pension and disability payments.

Subd. 2. [CONDITIONS.] Each order for withholding shall provide for a conspicuous notice to the obligor that withholding may result if the obligor fails to make the maintenance or support payments, and that no withholding shall be made until the following conditions are met:

(a) The public agency responsible for child support enforcement determines that the obligor is at least 30 days in arrears;

(b) The agency serves written notice of its determination on the obligor at least 15 days before service of the determination and a copy of the court's order for withholding on the payor of funds;

(c) Within the 15 day period, the obligor has failed either to pay all arrearages or to move the court, under section 518.64, to modify the order respecting the amount of maintenance or support and, ex parte, to stay service on the payor of funds until the motion to modify is heard; and

(d) The agency serves a copy of its determination of delinquency and a copy of the court's withholding order on the payor of funds.

Subd. 3. [MODIFICATION ORDERS.] An order modifying the amount of maintenance or support, issued after the hearing on the motion to modify, shall provide that payments be made by withholding.

Sec. 23. Minnesota Statutes 1980, Section 256.873, is amended to read:

256.873 [EMPLOYER'S PAYOR'S DUTY; REMITTANCE OF AMOUNT WITHHELD.]

The court's order for withholding is binding on the payor of funds upon service of a copy of the agency's determination of delinquency and a copy of the court's order on the payor of funds.

The support or maintenance money shall be withheld by the ~~employer~~ payor of funds of ~~said the person obligated to pay the support and or maintenance.~~ The amount withheld shall be remitted monthly or more frequently to the public agency responsible for child support enforcement. Any amount so received in excess of the amount of public assistance expended for ~~said child~~ shall be ~~further~~ remitted to the person entitled ~~thereto to it.~~ No employer may discharge, suspend or otherwise penalize ~~any an employee by reason of the fact that because the employer must withhold the support or maintenance money.~~

Sec. 24. Minnesota Statutes 1980, Section 256.875, is amended to read:

256.875 [INCLUSION IN DIVORCE DECREE.]

Nothing in sections 256.872 to 256.878 shall be construed to prevent the

~~petition~~ motion for withholding to be presented, and the order for withholding of support to be included in a final order or decree of ~~divorce~~ dissolution or legal separation or in a judgment or order determining parentage.

Sec. 25. Minnesota Statutes 1980, Section 256.877, is amended to read:

256.877 [MODIFICATION OR TERMINATION OF ORDER.]

When it ~~shall appear~~ *appears* that the circumstances of the parties have changed to an extent affecting the operation of this order, or it appears that the order is no longer needed or desirable, any interested party may ~~petition~~ *move* the court having granted ~~said~~ the order for an order modifying or terminating ~~the same~~ *it*.

Sec. 26. Minnesota Statutes 1980, Section 256B.02, Subdivision 8, is amended to read:

Subd. 8. "Medical assistance" or "medical care" means payment of part or all of the cost of the following care and services for eligible individuals whose income and resources are insufficient to meet all of such cost:

- (1) Inpatient hospital services.
- (2) Skilled nursing home services *and services of intermediate care facilities. Payment shall be made only for days on which the eligible individual is in the nursing home or facility.*
- (3) Physicians' services.
- (4) Outpatient hospital or clinic services.
- (5) Home health care services.
- (6) Private duty nursing services.
- (7) ~~Physical therapy and related services~~ *No payments shall be made pursuant to this chapter directly to physical therapists, occupational therapists, speech pathologists and audiologists. Prescribed restorative therapy and specialized maintenance therapy which must be provided by physical therapists, occupational therapists, speech pathologists and audiologists in a nursing home, boarding care home or supervised living facility shall be included in the per diem rate of the facility. Specialized maintenance therapy which must be provided by a therapist shall not include ambulation, passive range of motion, transfer and activities of daily living, and teaching and follow-up which are considered nursing care services. Payments to medicare-certified rehabilitation agencies shall be limited to payments for physician services and prescribed restorative therapy provided by physical therapists, occupational therapists, speech pathologists and audiologists.*
- (8) Dental services, *excluding cast metal restorations.*
- (9) Laboratory and x-ray services.
- (10) The following if prescribed by a licensed practitioner: drugs, eye-glasses, dentures, and prosthetic devices. *The commissioner shall prescribe a drug formulary. Payments for prescribed drugs shall be limited as follows, unless prior authorization for exceptions is received from the commissioner:*
 - (a) *One prescription per maintenance drug per month; and*
 - (b) *Three prescriptions per month per recipient. "Drug formulary" means the list of drugs*

approved by the commissioner upon the advice of the drug formulary committee that are reimbursable under the state medical assistance program. Promulgation and publication of the formulary shall be exempt from the requirements of chapter 15. The formulary shall not include: (a) Drugs lacking FDA approval for safety and efficacy; (b) Over-the-counter drugs, except for antacids, acetaminophen, family planning products, aspirin, insulin, prenatal vitamins, and vitamins for children under age 7; (c) Nutritional products; (d) Anorectics; and (e) Drugs for which medical value has not been established. The drug formulary committee shall review all drugs and advise the commissioner as to their inclusion or exclusion from the drug formulary. The formulary committee shall be comprised of one representative each of: the university of Minnesota's school of dentistry, school of medicine and college of pharmacy; the Minnesota medical association; the Minnesota state pharmaceutical association; the department of health, and the department of public welfare. The commissioner or his agent shall serve as secretary to the committee.

(11) Diagnostic, screening, and preventive services.

(12) Health care pre-payment plan premiums and insurance premiums if paid directly to a vendor and supplementary medical insurance benefits under Title XVIII of the Social Security Act.

(13) Abortion services, but only if one of the following conditions is met:

(a) The abortion is a medical necessity. "Medical necessity" means (1) the signed written statement of two physicians indicating the abortion is medically necessary to prevent the death of the mother, and (2) the patient has given her consent to the abortion in writing unless the patient is physically or legally incapable of providing informed consent to the procedure, in which case consent will be given as otherwise provided by law;

(b) The pregnancy is the result of criminal sexual conduct as defined in section 609.342, clauses (c), (d), (e)(i), and (f), and the incident is reported within 48 hours after the incident occurs to a valid law enforcement agency for investigation, unless the victim is physically unable to report the criminal sexual conduct, in which case the report shall be made within 48 hours after the victim becomes physically able to report the criminal sexual conduct; or

(c) The pregnancy is the result of incest, but only if the incident and relative are reported to a valid law enforcement agency for investigation prior to the abortion.

(14) Transportation costs incurred solely for obtaining emergency medical care or transportation costs incurred by non-ambulatory persons in obtaining emergency or non-emergency medical care when paid directly to an ambulance company, common carrier, or other recognized providers of transportation services. For the purpose of this clause, a person who is incapable of transport by taxicab or bus shall be considered to be non-ambulatory.

(15) To the extent authorized by rule of the state agency, costs of bus or taxicab transportation incurred by any ambulatory eligible person for obtaining non-emergency medical care.

(16) Any other medical or remedial care licensed and recognized under state law *unless otherwise prohibited by law.*

Sec. 27. Minnesota Statutes 1980, Section 256B.03, is amended to read:

256B.03 [PAYMENTS TO VENDORS.]

Subdivision 1. [GENERAL LIMIT.] All payments for medical assistance hereunder must be made to the vendor.

Subd. 2. [LIMIT ON ANNUAL INCREASE TO LONG-TERM CARE PROVIDERS.] Notwithstanding the provisions of sections 256B.42 to 256B.48 and rules promulgated under those sections, rates paid to a skilled nursing facility or an intermediate care facility, including boarding care facilities and supervised living facilities, except state owned and operated facilities, for the first rate year beginning during the biennium ending June 30, 1983, shall not exceed by more than eight percent the final rate allowed to the facility for the preceding rate year.

Notwithstanding provisions of Minnesota Statutes, Section 256B.45, Subdivision 1, the commissioner shall not increase the percentage for investment allowances.

Sec. 28. Minnesota Statutes 1980, Section 256B.06, Subdivision 1, is amended to read:

Subdivision 1. Medical assistance may be paid for any person:

(1) Who is eligible for or receiving public assistance under the aid to families with dependent children program; or

(2) Who is eligible for or receiving supplemental security income for the aged, blind and disabled; or

(3) Who except for the amount of income or resources would qualify for supplemental security income for the aged, blind and disabled, or aid to families with dependent children and is in need of medical assistance; or

(4) Who is under 21 years of age and in need of medical care that neither he nor his relatives responsible under sections 256B.01 to 256B.26 are financially able to provide; or

(5) Who is residing in a hospital for treatment of mental disease or tuberculosis and is 65 years of age or older and without means sufficient to pay the per capita hospital charge; and

(6) Who resides in Minnesota, or, if absent from the state, is deemed to be a resident of Minnesota in accordance with the regulations of the state agency; and

(7) Who alone, or together with his spouse, does not own real property other than the homestead. For the purposes of this section, "homestead" means the house owned and occupied by the applicant as his dwelling place, together with the land upon which it is situated and an area no greater than two contiguous lots in a platted or laid out city or town or the smallest parcel allowed under applicable zoning regulations in unplatted land. Real estate not used as a home may not be retained unless it produces net income applicable to the family's needs or the family is making a continuing effort to sell it at a fair and reasonable price or unless sale of the real estate would net an insignificant amount of income applicable to the family's needs, or unless the commissioner determines that sale of the real estate would cause undue hardship; and

(8) Who, ~~if single, individually~~ does not ~~have~~ own more than \$2,000 in cash or liquid assets, ~~plus \$150 for each additional legal dependent or, if married, whose cash or liquid assets do not exceed \$10,000, or if a member of a household with two family members (husband and wife, or parent and child), does not own more than \$4,000 in cash or liquid assets, plus \$200 for each additional legal dependent, except that the value of the following shall not be included:~~

(a) the homestead, and (b) one ~~automobile~~ motor vehicle licensed pursuant to Minnesota Statutes, Chapter 168 and defined as: (1) passenger automobile, (2) station wagon, (3) motorcycle, (4) motorized bicycle or (5) truck of the weight found in categories A to E, of section 168.013, Subdivision 1e ~~shall be disregarded; and~~

(9) Who has or anticipates receiving an annual income not in excess of \$2,600 for a single person, or \$3,250 for two family members (~~man~~ husband and wife, parent and child, or two siblings), plus \$625 for each additional legal dependent, or who has income in excess of these maxima and in the month of application, or during the three months prior to the month of application, incurs expenses for medical care that total more than one-half of the annual excess income in accordance with the regulations of the state agency. In computing income to determine eligibility of persons who are not residents of long term care facilities, the commissioner shall disregard increases in income of social security or supplementary security income recipients due solely to increases required by sections 215(i) and 1617 of the social security act, and shall disregard income of disabled persons that is also disregarded in determining eligibility for supplemental aid under section 256D.37, subdivision 1, *unless prohibited by federal law or regulation. If prohibited, the commissioner shall first seek a waiver.* In excess income cases, eligibility shall be limited to a period of six months beginning with the first of the month in which these medical obligations are first incurred; and

(10) Who has continuing monthly expenses for medical care that are more than the amount of his excess income, computed on a monthly basis, in which case eligibility may be established before the total income obligation referred to in the preceding paragraph is incurred, and medical assistance payments may be made to cover the monthly unmet medical need. In licensed nursing home and state hospital cases, income over and above that required for justified needs, determined pursuant to a schedule of contributions established by the commissioner of public welfare, is to be applied to the cost of institutional care. The commissioner of public welfare may establish a schedule of contributions to be made by the spouse of a nursing home resident to the cost of care and shall seek a waiver from federal regulations which establish the amount required to be contributed by either spouse when one spouse is a nursing home resident; and

(11) Who has applied or agrees to apply all proceeds received or receivable by him or his spouse from automobile accident coverage and private health care coverage to the costs of medical care for himself, his spouse, and children. The state agency may require from any applicant or recipient of medical assistance the assignment of any rights accruing under private health care coverage. Any rights or amounts so assigned shall be applied against the cost of medical care

paid for under this chapter. Any assignment shall not be effective as to benefits paid or provided under automobile accident coverage and private health care coverage prior to receipt of the assignment by the person or organization providing the benefits.

Sec. 29. Minnesota Statutes 1980, Section 256B.091, is amended by adding a subdivision to read:

Subd. 8. [ALTERNATIVE CARE GRANTS.] The commissioner shall provide grants to counties participating in the program to pay costs of providing alternative care to individuals screened under subdivision 4. Payment is available under this subdivision only for individuals (1) for whom the screening team would recommend nursing home admission if alternative care were not available; (2) who are receiving medical assistance or who would be eligible for medical assistance within 90 days of admission to a nursing home; and (3) who need services that are not available at that time in the county through other public assistance.

Grants may be used for payment of costs of providing services such as, but not limited to, foster care for elderly persons, day care whether or not offered through a nursing home, nutritional counseling, or medical social services, which services are provided by a licensed health care provider, a home health service eligible for reimbursement under Titles XVIII and XIX of the federal Social Security Act, or by persons employed by or contracted with by the county board or the local welfare agency. The county agency shall ensure that a plan of care is established for each individual in accordance with subdivision 3, clause (e)(2). The plan shall include any services prescribed by the individual's attending physician as necessary and follow up services as necessary. The county agency shall provide documentation to the commissioner verifying that the individual's alternative care is not available at that time through any other public assistance or service program. Grants to counties under this subdivision are subject to audit by the commissioner for fiscal and utilization control.

The commissioner shall apply for a waiver for federal financial participation to expand the availability of services under this subdivision. The commissioner shall provide grants to counties from the non-federal share, unless the commissioner obtains a federal waiver for medical assistance payments, of medical assistance appropriations. The state expenditures for this section shall not exceed \$1,800,000 for the biennium ending June 30, 1983. A county agency may use grant money to supplement but not supplant services available through other public assistance or service programs and shall not use grant money to establish new programs for which public money is available through sources other than grants provided under this subdivision. Total payment of the costs of providing care under this subdivision shall not exceed 75 percent of the per diem payment for which each individual served would have been eligible if the individual had been admitted to a nursing home. The non-federal share may be used to pay up to 90 percent of the start-up and service delivery costs of providing care under this subdivision. Each county agency that receives a grant shall pay 10 percent of the costs.

The commissioner shall promulgate temporary rules in accordance with section 15.0412, subdivision 5, to establish required documentation and reporting of care delivered.

Sec. 30. Minnesota Statutes 1980, Section 256B.17, is amended to read:

256B.17 [TRANSFERS OF PROPERTY.]

Any person who has transferred any real or personal property within three years immediately preceding the date of application for medical assistance hereunder or who transfers any such property while receiving medical assistance hereunder without receiving a reasonable consideration therefor shall be presumed to have done so in order to become or remain eligible for medical assistance hereunder or to have deprived himself or his spouse of a resource that might otherwise have been used to meet his or their current needs. Such person shall have the burden of overcoming such presumption to the satisfaction of the county agency.

Subdivision 1. [TRANSFERS FOR LESS THAN MARKET VALUE.] In determining the resources of an individual and an eligible spouse, there shall be included any resource or interest therein which was given away or sold for less than fair market value within the 24 months preceding application for medical assistance or during the period of eligibility.

Subd. 2. [PRESUMPTION OF PURPOSE.] Any transaction described in subdivision 1 shall be presumed to have been for the purpose of establishing eligibility for benefits or assistance under this chapter unless the individual or eligible spouse furnishes convincing evidence to establish that the transaction was exclusively for another purpose.

Subd. 3. [RESOURCE VALUE.] For purposes of subdivision 1, the value of the resource or interest shall be the fair market value at the time it was sold or given away, less the amount of compensation received.

Subd. 4. [PERIOD OF INELIGIBILITY.] In any case where the uncompensated value of transferred resources exceeds \$12,000, the commissioner shall require a period of ineligibility which exceeds 24 months, provided that the period of ineligibility bears a reasonable relationship to the excess uncompensated value of the transferred asset.

Sec. 31. Minnesota Statutes 1980, Section 256D.01, Subdivision 1, is amended to read:

Subdivision 1. The objectives of sections 256D.01 to 256D.21 are to provide a sound administrative structure for public assistance programs; to maximize the use of federal funds for public assistance purposes; and to provide an integrated public assistance program for all those persons in the state without adequate income or resources to maintain a subsistence reasonably compatible with decency and health meeting the eligibility criteria contained in this chapter.

It is hereby declared to be the policy of this state that persons unable to provide for themselves and not otherwise provided for by law and who meet the eligibility requirements of sections 256D.01 to 256D.21 shall be entitled to receive such grants oeneral assistance and such services, within the time limits set forth in this chapter as may be necessary to maintain a subsistence reasonably compatible with decency and health. The furnishing of such assistance and services is a matter of public concern and a necessity in promoting the public health and welfare.

A principal objective in providing general assistance and services shall be to aid those persons who can be helped to become self-supporting or to attain

~~self-care provide for persons ineligible for federal programs who are unable to provide for themselves. To achieve this these aims, the commissioner shall establish minimum standards of assistance for general assistance. The minimum standard for cash payments to recipients shall be: as to shelter and utilities, 100 percent of the actual need or state standards therefor, subject to the maximum established for shelter in the aid to the blind, aid to the disabled, and old age assistance programs in December, 1973; and as to other budgetary items, 50 percent, of those established for said items in the aid to the blind, aid to the disabled, and old age assistance programs in December, 1973. The minimum standards of assistance shall authorize the payment of rates negotiated by local agencies for recipients living in a room and board arrangement. In order to maximize the use of federal funds, the commissioner shall promulgate regulations, to the extent permitted by federal law for eligibility for the emergency assistance program under aid to families with dependent children, and under the terms of sections 256D.01 to 256D.21 for general assistance, to require the use of the emergency program under aid to families with dependent children as the primary financial resource when available. The commissioner shall provide by regulation for the eligibility for general assistance of persons with seasonal income, and may attribute seasonal income to other periods not in excess of one year from receipt by an applicant or recipient. The strengthening and preservation of the family unit shall be a principal consideration in the administration of sections 256D.01 to 256D.21 and all general assistance policies shall be formulated and administered so as to further this objective.~~

Sec. 32. Minnesota Statutes 1980, Section 256D.02, Subdivision 4, is amended to read:

Subd. 4. "General assistance" means cash payments to persons unable to provide themselves with a reasonable subsistence compatible with decency and health and who are not otherwise provided for under the laws of this state or the United States. It shall include cash payments for goods, shelter, fuel, food, clothing, light, necessary household supplies, and personal need items. General assistance shall not include payments for foster care, child welfare services, or other social services. Vendor payments may be made only as provided for in ~~sections section 256D.09 and 256D.11.~~

Sec. 33. Minnesota Statutes 1980, Section 256D.02, Subdivision 8, is amended to read:

Subd. 8. "Income" means ~~earned and unearned income reduced by any form of income, including remuneration for services performed as an employee and net earnings from self-employment, reduced by the amount attributable to employment expenses as defined by the commissioner. The amount attributable to employment expenses shall include amounts paid or withheld for federal and state personal income taxes and federal social security taxes.~~

"Income" includes any payments received as an annuity, retirement, or disability benefit, including veteran's or workers' compensation; old age, survivors, and disability insurance; railroad retirement benefits; unemployment benefits; and benefits under any federally aided categorical assistance program, supplementary security income, or other assistance program; rents, dividends, interest and royalties; and support and maintenance payments except that such payments may not be considered as available to meet the needs of any person other than the person for whose benefit they are received, unless

that person is under a legal duty to support another family member. Goods and services provided in lieu of cash payment shall be excluded from the definition of income.

Sec. 34. Minnesota Statutes 1980, Section 256D.03, Subdivision 2, is amended to read:

Subd. 2. After December 31, ~~1979~~ 1980, and before January 1, 1981, state aid shall be paid to local agencies for 60 percent and, after December 31, 1980, for 75 percent of all general assistance grants up to the standards of section 256D.01, subdivision 1, and according to procedures established by the commissioner. Any local agency may, from its own resources, make payments of general assistance: (a) at a standard higher than that established by the commissioner without reference to the standards of section 256D.01, subdivision 1; or, (b) to persons not meeting the eligibility standards set forth in section 256D.05, subdivision 2, but for whom the aid would further the purposes established in the general assistance program in accordance with rules promulgated by the commissioner pursuant to the administrative procedure act.

Sec. 35. Minnesota Statutes 1980, Section 256D.04, is amended to read:

256D.04 [DUTIES OF THE COMMISSIONER.]

In addition to any other duties imposed by law, the commissioner shall:

(1) Supervise the administration of general assistance and general assistance medical care by local agencies as provided in sections 256D.01 to 256D.21;

(2) Promulgate uniform rules consistent with law for carrying out and enforcing the provisions of sections 256D.01 to 256D.21 to the end that general assistance may be administered as uniformly as possible throughout the state; rules shall be furnished immediately to all local agencies and other interested persons; in promulgating rules, the provisions of sections 15.041 to 15.052, shall apply;

(3) Allocate moneys appropriated for general assistance and general assistance medical care to local agencies as provided in section 256D.03, subdivisions 2 and 3;

(4) Accept and supervise the disbursement of any funds that may be provided by the federal government or from other sources for use in this state for general assistance and general assistance medical care;

(5) Cooperate with other agencies including any agency of the United States or of another state in all matters concerning the powers and duties of the commissioner under sections 256D.01 to 256D.21;

(6) Cooperate to the fullest extent with other public agencies empowered by law to provide vocational training, rehabilitation, or similar services; and

(7) Gather and study current information and report at least annually to the governor and legislature on the nature and need for general assistance and general assistance medical care, the amounts expended under the supervision of each local agency, and the activities of each local agency and publish such reports for the information of the public;

(8) Report at least annually to the governor and legislature the cost of living in the various counties and metropolitan areas as related to the standards of

assistance and the amounts expended for assistance, and make this information available to the public; and

(9) Issue emergency rules necessary to implement the work equity program and promulgate all rules pursuant to chapter 15 necessary to carry out the program so that its demonstrational project may be administered uniformly throughout participating counties. Rules shall be furnished immediately to all local agencies and other interested persons.

Sec. 36. Minnesota Statutes 1980, Section 256D.05, Subdivision 1, is amended to read:

Subdivision 1. [STANDARDS.] Each person or family whose income and resources are less than the standard of assistance established by the commissioner, and who is not eligible for the federally aided assistance programs of emergency assistance or aid to families with dependent children, or any successor to those programs, shall be eligible for and entitled to general assistance; provided that no individual shall be eligible for general assistance if he is eligible for any of the following federally aided assistance programs: emergency assistance; aid to families with dependent children; or any successor to the above if the person or family is:

(a) A person suffering from an illness, injury, or incapacity which is both medically certified and prevents the individual from engaging in suitable employment, if a plan for rehabilitation approved by the local agency through its director or designated representative is being followed when the situation is certified as temporary;

(b) A person whose presence in the home on a substantially continuous basis is required because of the certified illness or incapacity of another member of the household;

(c) A person who has been placed in a licensed or certified facility for purposes of physical or mental health or rehabilitation, if the placement is based on illness or incapacity, and is pursuant to a plan developed or approved by the local agency through its director or designated representative;

(d) A person who resides in a shelter facility described in subdivision 3;

(e) A person who is or may be eligible for displaced homemaker services, programs, or assistance under section 4.40. In determining eligibility of the person for general assistance, income received as a stipend shall be disregarded as provided in section 4.40;

(f) A person who is unable to secure suitable employment due to inability to communicate in the English language, and who, if assigned to a language skills program by the local agency, is participating in that program;

(g) A person not described in clause (a) or (c) who is diagnosed by a licensed physician or licensed consulting psychologist as mentally ill; or

(h) A person who is unable to secure suitable employment due to a lack of marketable skills as determined by the local agency, and who, if assigned to a vocational counseling, vocational rehabilitation, or work training program by the local agency, is participating in that program. Eligibility for general assistance under clause (h) of this paragraph is limited to five weeks per calendar year.

Sec. 37. Minnesota Statutes 1980, Section 256D.06, Subdivision 2, is amended to read:

Subd. 2. Notwithstanding the provisions of subdivision 1, a grant of general assistance shall be made to an eligible individual or family for an emergency need, as defined in rules promulgated by the commissioner, where the ~~applicant or~~ recipient requests temporary assistance not exceeding 30 days if an emergency situation appears to exist and the individual is ineligible for the ~~federally aided~~ program of emergency assistance *under aid to families with dependent children and is not a recipient of aid to families with dependent children at the time of application hereunder.* If ~~an applicant or~~ a recipient relates facts to the local agency which may be sufficient to constitute an emergency situation, the local agency shall advise the ~~applicant or~~ recipient of the procedure for applying for assistance pursuant to this subdivision.

Sec. 38. Minnesota Statutes 1980, Section 256D.06, is amended by adding subdivisions to read:

Subd. 4. When a general assistance grant is used to pay a negotiated rate for a recipient living in a licensed or certified facility, the rate payable hereunder to that facility shall be no more than that paid by an individual not receiving general assistance.

Subd. 5. [INTERIM ASSISTANCE.] Any applicant, otherwise eligible for general assistance and possibly eligible for maintenance benefits from any other source shall be obligated to (a) make application for those benefits within 30 days of the general assistance application; and (b) execute an interim assistance authorization agreement on a form as directed by the commissioner. If found eligible for benefits from other sources, and a payment received from another source relates to the period during which general assistance was also being received, the recipient shall be required to reimburse the local agency for the interim assistance paid. Reimbursement shall not exceed the amount of general assistance paid during the time period to which the other maintenance benefits apply and shall not exceed the state standard applicable to that time period. This provision shall not require repayment of per diem payments made to shelters for battered women pursuant to section 256D.05, subdivision 3.

Sec. 39. Minnesota Statutes 1980, Section 256D.14, is amended to read:

256D.14 [VIOLATIONS.]

Whoever obtains or attempts to obtain, or aids or abets any person to obtain by means of a willfully false statement or representation, *or by the intentional withholding or concealment of a material fact,* or by impersonation, or other fraudulent device:

(1) Assistance to which he is not entitled; or

(2) Assistance greater than that to which he is reasonably entitled;

shall be considered to have violated section 256.98, and shall be subject to both the criminal and civil penalties provided therein.

Sec. 40. [257.021] [DUTY OF STEPPARENT TO SUPPORT STEPCHILD.]

Subdivision 1. [IN GENERAL.] Notwithstanding section 257.02, a step-parent shall be legally obligated to support a stepchild living in the same

household to the same extent that a natural or adoptive parent is required to support a child, unless, in a particular case, a court of competent jurisdiction determines that undue hardship would result because the stepparent is bound by court order to support children of a previous union. The natural or adoptive parent shall retain the primary support obligation.

Subd. 2. [MARRIAGE TERMINATION.] Termination of marriage between the stepparent and the stepchild's natural or adoptive parent shall terminate the support obligation described in subdivision 1.

Subd. 3. [SUPPORT ENFORCEMENT.] A stepparent may recover support for a stepchild from the natural or adoptive parent under the same conditions as any other obligee.

Subd. 4. [DEFINITIONS.] "Stepparent" means a person ceremonially married to a child's natural or adoptive parent who is not the child's natural or adoptive parent, or a person who is living with a natural or adoptive parent as a common law spouse, whose common law marriage was entered into in a state which recognizes the validity of common law marriages.

"Stepchild" means a child with a stepparent.

Subd. 5. [LIMITATIONS.] This section shall not be construed to affect custody determinations or any parental duty other than the duty to support the stepchild.

Sec. 41. Minnesota Statutes 1980, Section 357.021, Subdivision 2, is amended to read:

Subd. 2. The fees to be charged and collected by the clerk of district court shall be as follows:

(1) In every civil action or proceeding in said court, the plaintiff, petitioner, or other moving party shall pay, when the first paper on his part is filed in said action, a fee of \$20, *except that in an action for marriage dissolution, a fee of \$35.*

The defendant or other adverse or intervening party, or any one or more of several defendants or other adverse or intervening parties appearing separately from the others, shall pay, when the first paper on his or their part is filed in said action, a fee of \$15.

The party requesting a trial by jury shall pay \$15.

The fees above stated shall be the full trial fee chargeable to said parties irrespective of whether trial be to the court alone, to the court and jury, or disposed of without trial, and shall include the entry of judgment in the action, but does not include copies or certified copies of any papers so filed or proceedings under chapter 106, except the provisions therein as to appeals.

(2) Certified copy of any instrument from a civil or criminal proceeding \$5 and \$3.50 for an uncertified copy.

(3) Issuing a subpoena \$1 for each name.

(4) Issuing an execution and filing the return thereof; issuing a writ of attachment, injunction, habeas corpus, mandamus, quo warranto, certiorari, or other writs not specifically mentioned, \$5.

(5) Issuing a transcript of judgment, or for filing and docketing a transcript

of judgment from another court, \$5.

(6) Filing and entering a satisfaction of judgment, partial satisfaction or assignment of judgment, \$5.

(7) Certificate as to existence or non-existence of judgments docketed, \$1 for each name certified to and \$1 for each judgment certified to.

(8) Filing and indexing trade name; or recording notary commission; or recording basic science certificate; or recording certificate of physicians, osteopaths, chiropractors, veterinarians or optometrists, \$5.

(9) For the filing of each partial, final, or annual account in all trusteeships, \$10.

(10) All other services required by law for which no fee is provided such fee as compares favorably with those herein provided, or such as may be fixed by rule or order of the court.

Sec. 42. Minnesota Statutes 1980, Section 357.021, is amended by adding a subdivision to read:

Subd. 2a. Of the marriage dissolution fee collected pursuant to subdivision 1, the clerk shall pay \$15 to the state treasurer to be deposited in the general fund for the purposes of funding grant programs for emergency shelter services and support services to battered women under sections 241.61 to 241.66 and for administering displaced homemaker programs established under section 4.40. The state treasurer shall identify and report to the commissioner of finance all amounts deposited in the general fund under this section.

Sec. 43. Minnesota Statutes 1980, Section 517.08, Subdivision 1b, is amended to read:

Subd. 1b. The clerk shall examine upon oath the party applying for a license relative to the legality of the contemplated marriage. If at the expiration of a five-day period, he is satisfied that there is no legal impediment to it, he shall issue the license, containing the full names of the parties before and after marriage, and county and state of residence, with the district court seal attached, and make a record of the date of issuance. The license shall be valid for a period of six months. In case of emergency or extraordinary circumstances, a judge of the county court or a judge of the district court of the county in which the application is made, may authorize the license to be issued at any time before the expiration of the five days. The clerk shall collect from the applicant a fee of \$15 \$30 for administering the oath, issuing, recording, and filing all papers required, and preparing and transmitting to the state registrar of vital statistics the reports of marriage required by this section. If the license should not be used within the period of six months due to illness or other extenuating circumstances, it may be surrendered to the clerk for cancellation, and in that case a new license shall issue upon request of the parties of the original license without fee. A clerk who knowingly issues or signs a marriage license in any manner other than as provided in this section shall pay to the parties aggrieved an amount not to exceed \$1,000.

Sec. 44. Minnesota Statutes 1980, Section 517.08, is amended by adding a subdivision to read:

Subd. 1c. [DISPOSITION OF LICENSE FEE.] Of the marriage license fee

collected pursuant to subdivision 1b, the clerk shall pay \$15 to the state treasurer to be deposited in the general fund for the purposes of funding grant programs for emergency shelter services and support services to battered women under sections 241.61 to 241.66 and for administering displaced homemaker programs established under section 4.40. The state treasurer shall identify and report to the commissioner of finance all amounts deposited in the general fund under this section.

Sec. 45. Minnesota Statutes 1980, Section 518.54, is amended by adding subdivisions to read:

Subd. 6. [INCOME.] "Income" means any form of periodic payment to an individual including, but not limited to, wages, salaries, payments to an independent contractor, workers' compensation, unemployment compensation, annuity, military and naval retirement, pension and disability payments.

Subd. 7. [OBLIGEE.] "Obligee" means a person to whom payments for maintenance or support are owed.

Subd. 8. [OBLIGOR.] "Obligor" means a person obligated to pay maintenance or support.

Subd. 9. [PUBLIC AUTHORITY.] "Public authority" means the public authority responsible for child support enforcement.

Sec. 46. Minnesota Statutes 1980, Section 518.551, is amended to read:

518.551 [MAINTENANCE AND SUPPORT PAYMENTS MADE TO WELFARE AGENCIES.]

Subdivision 1. [ORDER.] A court having jurisdiction over proceedings for dissolution or, legal separation or determination of parentage shall direct that all payments ordered for maintenance and support shall be made to the agency responsible for the welfare payments, when it appears that the party who is to receive the maintenance and support payments will receive public authority so long as the obligee is receiving or has applied for public assistance. Amounts received by the agency public authority greater than the amount granted to the party receiving public assistance obligee shall be remitted to that party the obligee.

Each order shall provide that the obligor's employer, trustee, or other payor of funds shall withhold from the obligor's income, regardless of source, an amount equal to the court's order for support or maintenance.

Subd. 2. [NOTICE OF CONDITIONS.] Each order for withholding shall provide for a conspicuous notice to the obligor that withholding may result if the obligor fails to make maintenance or support payments, and that no withholding shall be made until the following conditions are met:

(a) The public authority determines that the obligor is at least 30 days in arrears;

(b) The public authority serves written notice of its determination of arrearage on the obligor at least 15 days before service of the determination and a copy of the court's order for withholding on the payor of funds;

(c) Within the 15 day period, the obligor has failed either to pay all arrearages or to move the court, under section 518.64, to modify the order

respecting the amount of maintenance or support and, ex parte, to stay service on the payor of funds until the motion to modify is heard; and

(d) The public authority serves a copy of its determination of arrearage and a copy of the court's withholding order on the payor of funds.

Subd. 3. [MODIFICATION ORDERS.] An order modifying the amount of maintenance or support, issued after the hearing on the motion to modify, shall provide that payments be made by withholding.

Subd. 4. [ORDER BECOMES BINDING.] The order is binding on the employer, trustee or other payor of funds upon service upon him of a copy of the determination of arrearage and a copy of the court withholding order.

Subd. 5. [NOTICE TO PUBLIC AUTHORITY.] The petitioner shall notify the agency responsible for the welfare payments public authority of all proceedings for dissolution, legal separation, determination of parentage or for the custody of a child, if either party is receiving aid to families of dependent children or applies for such aid it subsequent to the commencement of the proceeding. After receipt of the notice, the agency public authority shall recommend to the court the support that is proper and adequate for the care and support of the child or children before the issuance of the order for judgment and decree in the proceeding.

Subd. 6. [FAILURE OF NOTICE.] If the court finds in a dissolution or, legal separation or determination of parentage proceeding, finds before issuing the order for judgment and decree, that notification has not been given to the agency responsible for the welfare payments public authority, the court shall order that notification be made and shall not issue its order for judgment and decree until the agency public authority has made its recommendations. In those proceedings in which no notification has been made pursuant to this section and in which the agency public authority determines that the judgment is not proper and adequate for the care and support of the child or children, it may petition move the court for a redetermination of the support payments ordered.

Sec. 47. Minnesota Statutes 1980, Section 518.611, is amended to read:

518.611 [ASSIGNMENTS.]

Subdivision 1. [ORDER TO WITHHOLD INCOME.] If the person obligated to pay support or maintenance fails to make a required payment, and is given a reasonable opportunity by the court to allege hardship or that the payment has been made, the other party The obligee or the public authority responsible for support enforcement may, after 30 days, at any time move the court to order, and the court, unless hardship is shown, shall order the employer or, trustee or other payor of funds to withhold from the obligor's periodic earnings or trust income, regardless of source, an amount equal to the court's order for support or maintenance.

Subd. 2. [NOTICE TO OBLIGOR OF CONDITIONS.] Each order for withholding shall provide for a conspicuous notice to the obligor that withholding may result if the obligor fails to make the maintenance or support payments, and that no withholding shall be made until the following conditions are met:

(a) The obligee or the public authority determines that the obligor is at least

30 days in arrears;

(b) *The obligee or the public authority serves written notice of its determination of arrearage on the obligor at least 15 days before service of the determination and a copy of the court's order for withholding on the payor of funds;*

(c) *Within the 15 day period, the obligor has either failed to pay all arrearages or to move the court, under section 518.64, to modify the order respecting the amount of maintenance or support and, ex parte, to stay service on the payor of funds until the motion to modify is heard; and*

(d) *The obligee or the public authority serves a copy of the determination of arrearage and a copy of the court's withholding order on the payor of funds.*

(e) *The obligee shall also serve on the public authority a copy of the determination of arrearage, a copy of the court's withholding order and an application to use the public authority's collection services.*

Subd. 3. [MODIFICATION ORDERS.] An order modifying the amount of maintenance or support, issued after the hearing on the motion to modify, shall provide that payments be made by withholding.

Subd. 4. [EFFECT OF ORDER.] The assignment order is binding on the employer, trustee, or other payor of the funds upon service upon him of notice that it has been made. The payor shall withhold from the earnings or trust income payable to the person obligated to pay support or maintenance obligor the amount specified in the assignment order and shall monthly or more frequently remit the amounts withheld to the other party or, in the case of a public assistance recipient, to the public agency responsible for support enforcement authority. Amounts received by the public authority responsible for support enforcement which are in excess of public assistance expended for the party or for a child shall be remitted to the party. An employer shall not discharge or otherwise discipline an employee as a result of a wage or salary assignment authorized by this section.

Sec. 48. Minnesota Statutes 1980, Section 518.64, Subdivision 1, is amended to read:

Subdivision 1. After an order for maintenance or support money, temporary or permanent, or for the appointment of trustees to receive property awarded as maintenance or support money, the court may from time to time, on petition of either of the parties or on petition of the public authority responsible for support enforcement where the party entitled to support or maintenance receives or has applied for public assistance, modify the order respecting the amount of maintenance or support money, and the payment of it, and also respecting the appropriation and payment of the principal and income of property held in trust, and may make an order respecting these matters which it might have made in the original proceeding, except as herein otherwise provided.

Sec. 49. Minnesota Statutes 1980, Section 518.64, is amended by adding a subdivision to read:

Subd. 5. [FORM.] The department of public welfare shall prepare and make available to courts and obligors a form to be submitted by the obligor in support of a motion for a modification of an order pursuant to this section or

section 256.87. The rule-making provisions of chapter 15 shall not apply to the preparation of the form.

Sec. 50. [609.101] [SURCHARGE ON FINES, ASSESSMENTS.]

When a court sentences a person convicted of a felony, gross misdemeanor, or misdemeanor, other than a traffic or parking violation, and if the sentence does not include payment of a fine, the court shall impose an assessment of not less than \$20 nor more than \$40. If the sentence includes payment of a fine, the court shall impose a surcharge on the fine of ten percent of the fine. This section applies whether or not the person is sentenced to imprisonment and when the sentence is suspended. The court may, upon a showing of indigency or undue hardship upon the convicted person or his immediate family, waive payment or authorize payment of the assessment or surcharge in installments.

The court shall collect and forward the amount of the assessment or surcharge to the state treasurer to be deposited in the general fund for the purposes of providing services, assistance, or reparations or a combination, to victims of crimes through programs established under sections 241.51 to 241.66, under chapter 256D, and chapter 299B. If the convicted person is sentenced to imprisonment, the chief executive officer of the correctional facility in which the convicted person is incarcerated may collect the assessment or surcharge from any earnings the inmate accrues for work performed in the correctional facility and forward the amount to the state treasurer. The state treasurer shall identify and report to the commissioner of finance all amounts deposited in the general fund under this section.

Sec. 51. [INSTRUCTIONS TO REVISOR.]

In accordance with section 648.36, in the next edition of Minnesota Statutes the revisor of statutes shall change the headnote of section 4.40 from "displaced worker programs" to "displaced homemaker programs".

Sec. 52. [REPEALER.]

Minnesota Statutes 1980, Sections 256.87, Subdivision 3; 256D.02, Subdivisions 9 and 10; and 256D.11, are repealed.

Sec. 53. [EFFECTIVE DATE.]

Section 30 of this article is effective with respect to applications for benefits made the day after final enactment and thereafter.

Sec. 54. [SUNSET PROVISION.]

Sections 26, 27, 31 and 36 are repealed effective June 30, 1983."

Delete the title and insert:

"A bill for an act relating to the organization and operation of state government; appropriating money for welfare, corrections, health, and other purposes with certain conditions; providing appropriations for the departments of public welfare, economic security, corrections, health, sentencing guidelines, corrections ombudsman, and health related boards; amending Minnesota Statutes 1980, Sections 16.851, by adding a subdivision; 144A.08, by adding a subdivision; 145.913, by adding a subdivision; 145.914, Subdivision 2; 241.021, by adding subdivisions; 241.13; 241.69, Subdivision 4; 245.0313; 245.765, Subdivision 1; 245.802, by adding a subdivision; 245.812, by adding a sub-

division; 246.151; 246.54; 254A.03, by adding a subdivision; 256.73, Subdivision 2; 256.76, Subdivision 1; 256.87; 256.872; 256.873; 256.875; 256.877; 256B.02, Subdivision 8; 256B.03; 256B.06, Subdivision 1; 256B.091, by adding a subdivision; 256B.15; 256B.17; 256D.01, Subdivision 1; 256D.02, Subdivisions 4 and 8; 256D.03, Subdivision 2; 256D.04; 256D.05, Subdivision 1; 256D.06, Subdivision 2, and by adding subdivisions; 256D.14; 357.021, Subdivision 2, and by adding a subdivision; 393.07, Subdivision 10; 401.04; 401.12; 517.08, Subdivision 1b, and by adding a subdivision; 518.54, by adding subdivisions; 518.551; 518.611; 518.64, Subdivision 1 and by adding a subdivision; proposing new law coded in Minnesota Statutes, Chapters 144; 145; 241; 245; 256D; 257 and 609; repealing Minnesota Statutes 1980, Sections 256.87, Subdivision 3; 256D.02, Subdivisions 9 and 10; and 256D.11."

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

House Conferees: (Signed) Don Samelson, Shirley A. Hokanson, James I. Rice, Bob Anderson, Mary M. Forsythe

Senate Conferees: (Signed) Gerry Sikorski, Allan H. Spear, Sam G. Solon, Robert J. Tennesen

Mr. Willet moved that the foregoing recommendations and Conference Committee Report on H. F. No. 1446 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.

CALL OF THE SENATE

Mr. Sikorski imposed a call of the Senate for the proceedings on H. F. No. 1446. The Sergeant at Arms was instructed to bring in the absent members.

H. F. No. 1446 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 47 and nays 17, as follows:

Those who voted in the affirmative were:

Berglin	Hughes	Merriam	Purfeerst	Taylor
Bertram	Humphrey	Moe, D. M.	Ramstad	Tennesen
Dahl	Johnson	Moe, R. D.	Schmitz	Ulland
Davies	Knoll	Nelson	Setzepfandt	Vega
Davis	Kroening	Olhoft	Sikorski	Waldorf
Dicklich	Langseth	Pehler	Solon	Wegener
Dieterich	Lantry	Penny	Spear	Willet
Frank	Lessard	Peterson, C.C.	Stern	
Frederickson	Luther	Peterson, R.W.	Stokowski	
Hanson	Menning	Petty	Stumpf	

Those who voted in the negative were:

Ashbach	Bernhagen	Kamrath	Peterson, D.L.	Sieloff
Bang	Brataas	Knutson	Pillsbury	
Benson	Engler	Kronebusch	Renneke	
Berg	Frederick	Lindgren	Rued	

So the bill, as amended by the Conference Committee, was repassed and its

title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

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

S. F. No. 1154: A bill for an act relating to state land; authorizing the conveyance of certain state lands in Pine county to the Amherst H. Wilder Foundation.

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

Carlson, D.; Murphy and Lehto

Senate File No. 1154 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 16, 1981

Mr. President:

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

S. F. No. 937: A bill for an act relating to insurance; prohibiting the issuance or renewal of certain health policies or plans which exclude or limit coverage on DES related conditions; proposing new law coded in Minnesota Statutes, Chapter 62A.

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

Wynia, Swanson and Valan

Senate File No. 937 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 16, 1981

Mr. President:

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

S. F. No. 368: A bill for an act relating to housing; requiring municipal housing plans to incorporate policies to minimize displacement and encourage citizen participation; encouraging the use of bond proceeds for housing for persons and families of low income; providing that multifamily housing loans may be used to acquire structures for conversion to cooperative ownership; amending Minnesota Statutes 1980, Sections 462C.03, Subdivisions 1 and 2; and 462C.05, Subdivision 1.

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

Clark, K.; Schreiber and Staten

Senate File No. 368 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 16, 1981

Mr. President:

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

S. F. No. 179: A bill for an act relating to economic development; regulating business loans to Indians; amending Minnesota Statutes 1980, Section 362.40, Subdivisions 2, 8, 9, 11, 12, 14, and by adding a subdivision; repealing Minnesota Statutes 1980, Section 362.40, Subdivisions 4, 5, and 10.

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

Ainley, Osthoff and Sherwood

Senate File No. 179 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 16, 1981

Mr. President:

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

S. F. No. 31: A bill for an act relating to transportation; restricting the powers of the commissioner of transportation with respect to a certain trunk highway within the city of St. Paul; proposing new law coded in Minnesota Statutes, Chapter 161.

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

Hanson, Kelly and Harens

Senate File No. 31 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 16, 1981

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 353:

H. F. No. 353: A bill for an act relating to agriculture; protecting agricultural operations from nuisance suits under certain circumstances; proposing new law coded in Minnesota Statutes, Chapter 561.

And the House respectfully requests that a Conference Committee of five

members be appointed thereon.

Schoenfeld, Jude, Shea, Kalis and Erickson have been appointed as such committee on the part of the House.

House File No. 353 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 16, 1981

Mr. Menning moved that the Senate accede to the request of the House for a Conference Committee on H. F. No. 353, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Ms. Berglin moved that the following members be excused for a Conference Committee on S. F. No. 368 at 3:40 p.m.:

Ms. Berglin and Mr. Humphrey. The motion prevailed.

MEMBERS EXCUSED

Mr. Belanger was excused from the Session of today at 3:15 p.m.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 70 and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 70 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 15, 1981

CONFERENCE COMMITTEE REPORT ON H. F. NO. 70

A bill for an act relating to education; providing for aids to education, aids to libraries, tax levies and the distribution of tax revenues; granting certain powers and duties to school districts, the state board of education and others; replacing AVTI capital expenditure aid with AVTI equipment aid and AVTI repair and betterment aid; requiring a legislative study of curriculum implications of secondary vocational education aid; providing a new aid and levy authorization for certain capital expenditures; changing the preschool screening program from mandatory to optional; limiting participation in teacher mobility programs; decreasing the state's obligations and changing eligibility standards for the maximum effort school aid program; appropriating money; amending Minnesota Statutes 1980, Sections 3.9278, Subdivision 1; 3.9279, Subdivisions 10 and 12; 120.17, Subdivisions 3, 3b, 4, 5a, 6, 7 and by adding a subdivision; 121.904, Subdivision 7; 121.906, Subdivisions 2 and 3;

121.912, Subdivision 1; 122.22, Subdivisions 3, 4, 5, 8, 9, 11, 13, 14, 20 and by adding a subdivision; 123.35, Subdivision 15; 123.36, Subdivision 13; 123.39, Subdivision 1 and by adding a subdivision; 123.702, Subdivision 1; 123.703, Subdivision 3; 123.705; 123.937; 124.01, Subdivisions 2, 3, 4 and by adding a subdivision; 124.11, Subdivisions 1, 2a, 2b, 2c and by adding a subdivision; 124.14, Subdivisions 3, 4 and by adding a subdivision; 124.17, Subdivisions 2, 2c and by adding a subdivision; 124.20; 124.212, Subdivisions 1, 5a, 7d, 8a, 9a and by adding a subdivision; 124.223; 124.225, Subdivisions 1, 1a, 2, 3, 4a, 5, 6, 7a, 8a, 8b, 9, 11 and by adding a subdivision; 124.245, Subdivisions 1, 2 and by adding a subdivision; 124.247, Subdivisions 3 and 5; 124.26, Subdivisions 3, 4 and by adding subdivisions; 124.271, Subdivision 2; 124.32, Subdivisions 1a, 1b, 6, 9 and by adding a subdivision; 124.38, Subdivision 7; 124.39, Subdivision 5; 124.40, Subdivision 2; 124.41; 124.42, Subdivisions 1 and 2; 124.43, Subdivisions 1, 2, 3, 4 and 5; 124.474; 124.476; 124.561, Subdivisions 2a, 3a and by adding subdivisions; 124.562, by adding a subdivision; 124.5621, Subdivisions 2, 5, 6 and 12; 124.5622, Subdivisions 3, 4 and 5; 124.5623, Subdivisions 3, 4 and 5; 124.5624; 124.565, Subdivisions 3, 4, 6 and 7; 124.566; 124.572, Subdivision 8 and by adding subdivisions; 124.573, Subdivisions 2, 3a, 5 and by adding a subdivision; 124.574, Subdivisions 2 and 4; 124.646, Subdivision 1; 125.60, Subdivisions 2a and 7; 125.611, Subdivisions 1, 3, 5, 8, 9 and 10; 126.54, Subdivision 1; 134.35, Subdivision 1; 134.351, Subdivision 5 and by adding subdivisions; 134.36; 275.125, Subdivisions 2a, 2c, 6b, 6c, 7a, 7b, 8, 11a and by adding subdivisions; 298.28, Subdivision 1; 354.094, Subdivisions 1, 2, 3 and by adding a subdivision; 354.66, Subdivision 9; 354A.091, Subdivisions 1, 2, 3 and by adding a subdivision; 354A.094, Subdivision 9; 375.335, Subdivision 4 and by adding subdivisions; Laws 1967, Chapter 822, Section 1, as amended; proposing new law coded in Minnesota Statutes, Chapters 120; and 124; repealing Minnesota Statutes 1980, Sections 3.9279, Subdivision 13; 120.17, Subdivision 3c; 122.22, Subdivisions 10, 12, 15 and 16; 123.40, Subdivision 5; 124.212, Subdivisions 6c and 7c; 124.225, Subdivisions 4, 7 and 8; 124.271, Subdivision 1a; 124.561, Subdivision 4; 124.562, Subdivisions 3 and 4; 124.571; 126.268, Subdivision 1; 126.52, Subdivision 12; 275.125, Subdivisions 2b and 14.

May 15, 1981

The Honorable Harry A. Sieben, Jr.
Speaker of the House of Representatives

The Honorable Jack Davies
President of the Senate

We, the undersigned conferees for H. F. No. 70, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H.F. No. 70 be amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE I

FOUNDATION AID

Section 1. Minnesota Statutes 1980, Section 120.17, Subdivision 9, is amended to read:

Subd. 9. [SPECIAL INSTRUCTION.] No resident of a district who is eligible for special instruction and services pursuant to this section shall be denied provision of this instruction and service on a shared time basis because of attendance at a nonpublic school defined in section 123.932, subdivision 3. If a resident handicapped pupil attends a nonpublic school located within his district of residence, the district shall provide necessary transportation for that pupil within the district between the nonpublic school and the educational facility where special instruction and services are provided on a shared time basis. If a resident handicapped pupil attends a nonpublic school located in a district contiguous to his district of residence and if no agreement exists pursuant to section ~~124.212~~ 26, subdivision ~~9a~~ 1, clause (c) or (d) of this article, for the provision of special instruction and services on a shared time basis to that pupil by the district of attendance, the district of residence shall provide necessary transportation for that pupil between the boundary of the district of residence and the educational facility where the special instruction and services are provided within the district of residence. The district of residence may provide necessary transportation for that pupil between its boundary and the nonpublic school attended, but the nonpublic school shall pay the cost of transportation provided outside the district boundary.

Sec. 2. Minnesota Statutes 1980, Section 121.904, Subdivision 7, is amended to read:

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

Sec. 3. Minnesota Statutes 1980, Section 122.531, Subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] *For purposes of this section, the terms defined in section 124.01, sections 20 to 24 of this article, and section 275.125 shall have the meanings ascribed to them in those sections.*

Subd. 1a. [INVOLUNTARY DISSOLUTION REFERENDUM LEVIES.] As of the effective date of the involuntary dissolution of a district and its attachment to one or more existing districts pursuant to sections 122.32, or 122.41 to 122.52, the authorization for any referendum levy previously approved by the voters of the dissolved district in that district pursuant to section 275.125, subdivision ~~2a~~, ~~clause (4)~~ 2d, or its predecessor or successor provision, is cancelled. The authorization for any referendum levy previously approved by the voters of a district to which all or part of the dissolved district is attached shall not be affected by the attachment and shall apply to the entire area of the district as enlarged by the attachment.

Sec. 4. Minnesota Statutes 1980, Section 122.531, Subdivision 2, is amended to read:

Subd. 2. [CONSOLIDATION AND VOLUNTARY DISSOLUTION: REFERENDUM LEVIES.] As of the effective date of a consolidation pursuant

to section 122.23 or the voluntary dissolution of a district and its attachment to one or more existing districts pursuant to section 122.22, the authorization for all referendum levies previously approved by the voters of all affected districts for those districts pursuant to section 275.125, subdivision 2a, ~~clause (4) 2d~~, or its predecessor or successor provision, is cancelled. However, if all of the territory of any independent district is included in the newly created district, and if the adjusted assessed valuation of taxable property in that territory comprises 90 percent or more of the adjusted assessed valuation of all taxable property in a newly created or enlarged district, the board of the newly created or enlarged district may levy the increased amount previously approved by a referendum in the pre-existing independent district upon all taxable property in the newly created or enlarged district. Any new referendum levy shall be certified only after approval is granted by the voters of the entire newly created or enlarged district in an election pursuant to section 275.125, subdivision 2a, ~~clause (4) 2d~~, or its successor referendum provision.

Sec. 5. Minnesota Statutes 1980, Section 122.531, Subdivision 3a, is amended to read:

Subd. 3a. [GRANDFATHER LEVY AND AID.] (1) *The amounts specified in this subdivision shall be used for purposes of computing the grandfather levy limitation under section 275.125, subdivision 6b, and the foundation grandfather aid under section ~~124.212~~ 22 of this article, of a district newly created through consolidation or enlarged through the dissolution of a district and its attachment to one or more existing districts; the amounts specified in this subdivision shall be used in lieu of the amounts specified in the designated clauses of section 275.125, subdivision 6b and section 124.212.*

(2) *In lieu of the amount specified in section 275.125, subdivision 6b, clause (2), part (b), subpart (i); section 124.212, subdivision 7e, clause (3), part (a); and section 124.212, subdivision 7d, clause (3), part (a), subpart (i), there shall be used The grandfather guarantee of the newly created or enlarged district shall equal the sum of the amounts derived by performing the following multiplication for each component district:*

(a) *the product in section 275.125, subdivision 6b, clause (1), part (b), computed grandfather guarantee for the component district, times*

(b) *the quotient obtained by dividing the number of actual pupil units identified in section 124.17, subdivision 1, clauses (1) and (2), from that component district who are enrolled in the newly created or enlarged district in the year when the consolidation or dissolution and attachment becomes effective, by the total entire number of actual pupil units identified in section 124.17, subdivision 1, clauses (1) and (2), enrolled in the component district in the year preceding the year when the consolidation or dissolution and attachment becomes effective.*

(3) *In lieu of the quotient used in the computation in section 275.125, subdivision 6b, clause (2), part (b), subpart (ii); and in section 124.212, subdivision 7d, clause (3), part (a), subpart (ii), there shall be used The grandfather allowance of the newly created or enlarged district shall equal the quotient obtained by dividing:*

(a) *the sum derived in clause (2) of this subdivision grandfather guarantee of the newly created or enlarged district, by*

(b) the sum of the amounts derived by performing the following computation for each component district:

(i) the number of *actual* pupil units identified in section 124.17, subdivision 1, clauses (1) and (2) in the component district in 1979-1980, times

(ii) the quotient derived for that component district in clause (2), part (b) of this subdivision.

Sec. 6. Minnesota Statutes 1980, Section 122.531, Subdivision 5, is amended to read:

Subd. 5. [REPLACEMENT LEVY AND AID.] (1) For purposes of computing the *replacement* levy limitation under section 275.125, subdivision 6c, and *replacement aid* under section 23 of this article, the *replacement entitlement* of a district newly created through consolidation or enlarged through the dissolution of a district and its attachment to one or more other districts, there shall be used in lieu of the amount specified in section 275.125, subdivision 6c, clause (1), part (a)(i) (A), *equal* the quotient obtained by dividing:

(a) (1) the sum of the amounts derived by performing the following multiplication for each component district:

(i) (a) the *quotient* in section 275.125, subdivision 6c, clause (1), part (a)(i)(A), *computed for the component district for purposes of 1979 payable 1980 levy limitations replacement entitlement of the component district*, times

(ii) (b) the number of *actual and AFDC* pupil units identified in section 124.17, subdivision 1, clauses (1), (2), (4), and (5), from that component district who are enrolled in the newly created or enlarged district in the year when the consolidation or dissolution and attachment becomes effective; by

(b) (2) the total number of *actual and AFDC* pupil units identified in section 124.17, subdivision 1, clauses (1), (2), (4), and (5), in the newly created or enlarged district in the year when the consolidation or dissolution and attachment becomes effective.

(2) For purposes of computing the district's foundation aid pursuant to section 124.212, in lieu of the amount derived in section 124.212, subdivision 7c, clause (4), part (a), there shall be used the sum derived in clause (1), part (a) of this subdivision.

Sec. 7. Minnesota Statutes 1980, Section 122.531, Subdivision 6, is amended to read:

Subd. 6. [AID DEDUCTIONS.] (1) For purposes of *computing foundation aid* under section 124.212, subdivision 7c, clauses (3) and (4), or section 124.212, subdivision 7d, clauses (3) and (4), *determining deductions from basic foundation, grandfather, replacement, and discretionary aid pursuant to section 27, subdivision 1, of this article*, of a district newly created through consolidation or enlarged through the dissolution of a district and its attachment to one or more other districts, in the year when the consolidation or dissolution and attachment becomes effective, there shall be used in lieu of the ratio of the district's actual levy to its permitted levy in 1979 payable 1980 or 1980 payable 1981, as the applicable, pursuant to section 275.125, subdivision 6b or 6c, as applicable year, the quotient obtained by dividing:

(a) the sum of the products derived for each component district by multiply-

ing the component district's actual levy in the applicable year pursuant to the applicable subdivision, times the ratio of the amount of the adjusted assessed valuation of the property from the component district which is included in the new district to the total amount of the adjusted assessed valuation of the new district; by

(b) the sum of the products derived for each component district by multiplying the component district's permitted levy in the applicable year pursuant to the applicable subdivision, times the ratio of the amount of the adjusted assessed valuation of the property from the component district which is included in the new district to the total amount of the adjusted assessed valuation of the new district.

Sec. 8. Minnesota Statutes 1980, Section 124.11, Subdivision 4, is amended to read:

Subd. 4. Estimated elementary and secondary foundation aids shall be paid out on the basis of the latest available information. ~~Except as provided in section 124.212, Estimated elementary and secondary foundation aids shall be computed on the basis of all pupil units identified in section 124.17, subdivision 4.~~ An October enrollment count shall be obtained from all school districts. Adjustment for final elementary and secondary pupil unit figures shall be made in the final foundation aid distribution in October of the following school year.

Sec. 9. Minnesota Statutes 1980, Section 124.01, Subdivision 1, is amended to read:

Subdivision 1. For purposes of this chapter, the words defined in section 120.02 have the same meaning and the terms defined in ~~this section~~ *section 17 and sections 20 to 24 of this article* have the meanings attributed to them in ~~this section~~ *those sections*.

Sec. 10. Minnesota Statutes 1980, Section 124.11, Subdivision 1, is amended to read:

Subdivision 1. [PAYMENT SCHEDULE THROUGH 1982.] Except as may be otherwise authorized by the commissioner to accommodate a flexible school year program and ~~except as provided in subdivision 5, for fiscal years through 1982~~, ten percent of the estimated elementary and secondary foundation aids shall be paid to districts in each of the months other than October from August through May based upon information available and the final distribution shall be made in October of the following school year.

Sec. 11. Minnesota Statutes 1980, Section 124.11, is amended by adding a subdivision to read:

Subd. 1a. [PAYMENT SCHEDULE.] Except as may be otherwise authorized by the commissioner to accommodate a flexible school year program, starting in fiscal year 1983, based upon information available, ten percent of the estimated elementary and secondary foundation aids shall be paid to districts in each month from August through April, except October, and five percent shall be paid in May. The final distribution shall be made in October of the following fiscal year.

Sec. 12. Minnesota Statutes 1980, Section 124.11, Subdivision 5, is amended to read:

Subd. 5. Each year, based on current year tax data reported in the abstracts

of tax lists, the commissioner of revenue shall determine the distribution to each school district of the amount of revenue lost as a result of the reduction in property taxes provided in section 273.132. On or before July 15 of each year, the commissioner of revenue shall certify the amounts so determined to the department of education. The department of education shall pay each school district its distribution as part of the foundation aid payment to each district in accordance with the payment dates in subdivision 1 or section 11 of this article, as applicable.

Sec. 13. Minnesota Statutes 1980, Section 124.17, Subdivision 1, is amended to read:

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

(1) In an elementary school:

(a) For each handicapped pre-kindergarten pupil and each handicapped kindergarten pupil, as defined in section 120.03, enrolled in a program approved by the commissioner, a number of pupil units equal to the ratio of the number of hours of education services required in the school year by the pupil's individual education program plan, developed pursuant to the rules of the state board, to 875, but not more than one pupil unit;

(b) For kindergarten pupils, other than those in clause (a), enrolled in one-half day sessions throughout the school year or the equivalent thereof, one-half pupil unit; and

(c) For other elementary pupils, one pupil unit.

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

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

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

additional pupil units shall be counted under this clause for pupils from families receiving aid to dependent children or its successor program and provided further that no such pupil shall be counted as more than one and one-tenth additional pupil units pursuant to clauses (4) and (5). Such weighting shall be in addition to the weighting provided in clauses (1), (2) and (4). School districts are encouraged to allocate a major portion of the aids that they receive on account of clauses (4) and (5) to primary grade programs and services, particularly to programs and services that involve participation of parents.

(6)(Expired)

(7)(Expired)

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

Sec. 14. Minnesota Statutes 1980, Section 124.17, Subdivision 2, is amended to read:

Subd. 2. Membership for pupils in grades kindergarten through twelve and for handicapped pre-kindergarten pupils shall mean the number of pupils on the current roll of the school, counted from the date of entry until withdrawal. The date of withdrawal shall mean the day the pupil permanently leaves the school or the date it is officially known that the pupil has left or has been legally excused; ~~provided that any.~~ However, a pupil, regardless of age, who has been absent from school for 15 consecutive school days during the regular school year or for five consecutive school days during summer school or inter-session classes of flexible school year programs without receiving instruction in the home or hospital shall be dropped from the roll and classified as withdrawn. Nothing in this section shall be construed as waiving the compulsory attendance provisions cited in section 120.10. Average daily membership shall equal the sum for all pupils of the number of days of the school year each pupil is enrolled in the district's schools divided by the number of days ~~said~~ the schools are in session.

Sec. 15. Minnesota Statutes 1980, Section 124.17, Subdivision 2c, is amended to read:

Subd. 2c. Notwithstanding the provisions of subdivision 2, in any case ~~where cases~~ when school is in session but pupils are prevented from attending for more than 15 consecutive school days during the regular school year or five consecutive school days during summer school or inter-session classes of flexible school year programs, because of epidemic, calamity, weather, fuel shortage, or other justifiable cause, the state board, upon application, may allow the district to continue to count these pupils in average daily membership. A lawful employees' strike is not a justifiable cause for purposes of this subdivision.

Sec. 16. Minnesota Statutes 1980, Section 124.17, is amended by adding a subdivision to read:

Subd. 2d. [SUMMER SCHOOL.] In summer school or inter-session classes of flexible school year programs, membership for pupils shall mean the number of full-time equivalent pupils in the program. This number shall equal the sum for all pupils of the number of classroom hours in the programs for which each pupil is enrolled divided by 1050. Membership in summer school or interses-

sion classes of flexible school year programs shall not include a handicapped pupil whose district of residence has been determined by section 120.17, subdivision 8a, and who is temporarily placed in a state institution or a licensed residential facility for care and treatment.

Sec. 17. Minnesota Statutes 1980, Section 124.20, is amended to read:

124.20 [EDUCATION; STATE AID; SUMMER SCHOOL AND FLEXIBLE SCHOOL YEAR CLASSES.]

Subdivision 1. [PROGRAMS.] Foundation aid for (1) summer school classes which are not a part of the regular school term in hospitals, sanatoriums, and home instruction programs, (2) inter-session classes of flexible school year programs, (3) summer school classes in elementary and secondary schools, and (4) summer school instruction in teachers college laboratory schools or in the university laboratory school, shall be paid at a proportionate rate for foundation aids paid for the preceding regular school year; provided that no district shall receive aid for programs under this section in an amount greater than its actual expenditures for these programs; provided further, that for purposes of computing summer school foundation aid through 1980, a district's foundation aid for the regular school year shall be reduced by the amount of the agricultural tax credit included in that foundation aid; provided further, that for purposes of computing summer school foundation aid starting in 1981, foundation aid for the regular school year shall be reduced by amounts of foundation aid computed pursuant to section 124.212, subdivision 7e, clauses (2), (3), (4) and (5), and section 124.212, subdivision 7d, clauses (2), (3), (4) and (5), or their successor provisions under the provisions of this section.

Subd. 2. [DEFINITIONS.] For the purposes of computing foundation aid for summer school and inter-session classes of flexible school year programs, the following phrases shall have the meanings given them.

(1) "Summer school pupil units" means full-time equivalent pupil units for summer school classes and inter-session classes of flexible school year programs computed under the provisions of section 124.17.

(2) "Summer school revenue allowance" means an amount equal to the product of the number of summer school pupil units in a district, times the foundation aid formula allowance as defined in section 21 of this article for the preceding regular school year.

(3) For summer programs in 1982, "summer school revenue allowance" means an amount equal to the product of the number of summer school pupil units in a district, times 89 percent of the foundation aid formula allowance as defined in section 21 of this article for the preceding regular school year.

(4) "Summer school aid" means aid for summer school and inter-session classes of flexible school year programs.

Subd. 3. [SUMMER SCHOOL AID.] Each year a district shall receive summer school aid equal to the difference between

(1) the product of

(a) the ratio of the district's actual levy to its permitted levy pursuant to section 34 of this article certified in the calendar year when the summer school

program is offered; times

- (b) the district's summer school revenue allowance; and
- (2) the levy certified by the district pursuant to section 34 of this article in the calendar year when the summer school program is offered.

Sec. 18. Minnesota Statutes 1980, Section 124.212, Subdivision 1, is amended to read:

Subdivision 1. [COMPONENTS.] ~~The Foundation aid program for each school districts district for each school years 1979-1980 and 1980-1981 shall be governed by the terms and provisions of this section- year shall equal the sum of the following:~~

- (a) Basic foundation aid;
- (b) Grandfather aid;
- (c) Replacement aid;
- (d) Discretionary aid;
- (e) State school agricultural tax credit aid;
- (f) Minimum aid; and
- (g) Foundation aid for shared time pupils.

Sec. 19. Minnesota Statutes 1980, Section 124.212, is amended by adding a subdivision to read:

Subd. 11b. In determining adjusted assessed valuation, property which qualifies for the reimbursement specified in section 273.139, subdivision 1, shall be treated as if it were classified as 3b or 3c in the case of homestead property, or as 3d in the case of nonhomestead property.

Sec. 20. [124.2121.] [FOUNDATION AID DEFINITIONS.]

Subdivision 1. [ADJUSTED MAINTENANCE COST.] "Adjusted maintenance cost" means the state and local current expense for pupils in elementary and secondary schools, exclusive of transportation, veterans training program, community services, and after reduction for receipts from the sale of authorized items sold to the individual pupil by the school such as lunches, items of personal use, or other items specifically authorized by law or under the procedures set forth in sections 120.71 to 120.76, and after reduction for receipts from extracurricular activities when the school board has assumed direction and control of these activities.

Subd. 2. [ADJUSTED ASSESSED VALUATION.] "Adjusted assessed valuation" or "EARC valuation" means the assessed valuation of the taxable property notwithstanding the provisions of section 275.49 of the school district as adjusted by the equalization aid review committee. The adjusted assessed valuation for any given calendar year shall be used to compute levy limitations for levies certified in the succeeding calendar year and aid for the school year beginning in the second succeeding calendar year.

Subd. 3. [PUPIL UNITS.] (a) "Actual pupil units" means pupil units identified in section 124.17, subdivision 1, clauses (1) and (2).

(b) "AFDC pupil units" means 98.5 percent of the pupil units identified in

Minnesota Statutes 1980, Section 124.17, Subdivision 1, Clauses (4) and (5) in the 1980-1981 school year.

(c) *"Total pupil units" means actual pupil units plus AFDC pupil units.*

(d) *"Declining enrollment pupil units" means pupil units identified in Minnesota Statutes, 1979 Supplement, Section 124.17, Subdivision 1, Clause (6).*

(e) *"Growing enrollment pupil units" means pupil units identified in Minnesota Statutes, 1979 Supplement, Section 124.17, Subdivision 1, Clause (7).*

Subd. 4. [EQUALIZING FACTOR.] *"Equalizing factor" means a number equal to the minimum EARC valuation per actual and AFDC pupil unit which disqualifies a district from earning any basic foundation aid. The equalizing factor for each school year and for levies for use in that school year equals the ratio, rounded to the nearest dollar, of the foundation aid formula allowance for that school year to the basic maintenance mill rate for that school year.*

Subd. 5. [LEVY USE.] *A levy "for use in a particular school year," "attributable to a particular school year," or "recognized as revenue in a particular school year," means the levy certified in the calendar year ending in the school year preceding that particular school year, and payable in the calendar year in which that school year begins.*

Sec. 21. [124.2122.] [BASIC FOUNDATION AID.]

Subdivision 1. [FORMULA ALLOWANCE.] *"Foundation aid formula allowance" or "formula allowance" means the amount of revenue per pupil unit used in the computation of foundation aid for a particular school year and in the computation of permissible levies for use in that school year. The formula allowance shall be \$1,318 for 1980 payable 1981 levies and for foundation aid for the 1981-1982 school year. The formula allowance shall be \$1,400 for 1981 payable 1982 levies and for foundation aid for the 1982-1983 school year.*

Subd. 2. [BASIC MAINTENANCE MILL RATE.] *"Basic maintenance mill rate" means the mill rate applicable to the adjusted assessed valuation of a district, used in the computation of basic foundation aid for a particular school year and of the basic maintenance levy for use in that school year. The basic maintenance mill rate shall be .021 for the 1980 payable 1981 levy and for foundation aid for the 1981-1982 school year. The basic maintenance mill rate shall be .023 for 1981 payable 1982 levies and for foundation aid for the 1982-1983 school year.*

Subd. 3. [BASIC FOUNDATION REVENUE.] *A district's basic foundation revenue for each school year shall equal the formula allowance times its total pupil units for that school year.*

Subd. 4. [BASIC FOUNDATION AID.] *A district's basic foundation aid for each school year shall equal its basic foundation revenue for that school year, minus the basic maintenance mill rate times the applicable adjusted assessed valuation of the district.*

Sec. 22. [124.2123.] [GRANDFATHER FOUNDATION AID.] **Subdivision 1. [GRANDFATHER GUARANTEE AND ALLOWANCE.]** (a) *A district's "basic grandfather amount" shall equal the amount per pupil unit which the district was permitted to levy in 1978 pursuant to Minnesota Statutes*

1978, Section 275.125, Subdivisions 6 and 7.

(b) A district's "grandfather guarantee" shall equal its basic grandfather amount times its 1979-1980 actual, declining enrollment and growing enrollment pupil units.

(c) A district's "grandfather allowance" shall equal its grandfather guarantee divided by its 1979-1980 actual pupil units.

(d) A district's "grandfather levy limitation" means its levy limitation computed pursuant to section 275.125, subdivision 6b.

Subd. 2. [GRANDFATHER REVENUE.] A district's grandfather revenue for any school year shall equal the greater of (a) its grandfather guarantee, or (b) its grandfather allowance times its actual pupil units for the preceding school year.

Subd. 3. [GRANDFATHER AID.] A district's grandfather aid for any school year shall equal its grandfather revenue for that school year minus its grandfather levy limitation for the levy for use in that school year.

Sec. 23. [124.2124.] [REPLACEMENT FOUNDATION AID.]

Subdivision 1. [REPLACEMENT COMPONENTS.] (a) A district's "fluctuating enrollment replacement component" shall equal the amount of additional foundation aid or basic maintenance levy revenue the district would have received for the 1980-1981 school year if declining or growing enrollment pupil units had been used in the computation of basic foundation aid for 1980-1981 pursuant to Minnesota Statutes 1980, Section 124.212, Subdivision 7c, Clause (1) or of the 1979 basic maintenance levy limitation pursuant to Minnesota Statutes, 1979 Supplement, Section 275.125, Subdivision 2b or 2c.

(b) A district's "sparsity replacement component" shall equal the amount of additional aid the district would have received for the 1980-1981 school year if Minnesota Statutes 1979 Supplement, Section 124.224 had been effective for 1980-1981.

(c) A district's "basic replacement entitlement" shall equal the sum of its fluctuating enrollment replacement component and its sparsity replacement component, divided by its total pupil units in 1980-1981.

(d) "Replacement inflator" for any school year means the ratio of the foundation aid formula allowance for that school year to \$1,265. For the 1981-1982 school year, however, the replacement inflator shall equal 107 percent.

(e) A district's "replacement allowance" for each school year shall equal its basic replacement entitlement times the replacement inflator for that school year.

(f) A district's "replacement levy limitation" means its levy limitation computed pursuant to section 275.125, subdivision 6c.

Subd. 2. [REPLACEMENT REVENUE.] A district's replacement revenue for any school year shall equal its replacement allowance for that school year times its total pupil units for that school year.

Subd. 3. [REPLACEMENT AID.] A district's replacement aid for any

school year shall equal its replacement revenue for that school year minus its replacement levy limitation for the levy for use in that school year.

Sec. 24. [124.2125.] [DISCRETIONARY AID.]

Subdivision 1. [DISCRETIONARY ALLOWANCE; DEFINITION.] "Discretionary allowance" means the amount of revenue per pupil unit used to compute discretionary aid for a particular school year and the discretionary levy for use in that school year. The discretionary allowance shall equal the formula allowance for the school year times the ratio of the discretionary mill rate to the basic maintenance mill rate for levies for use in that school year, rounded to the nearest cent. The discretionary allowance for 1981-1982, however, shall equal \$64.48.

Subd. 2. [DISCRETIONARY MILL RATE.] "Discretionary mill rate" means the mill rate used to compute the discretionary levy, the discretionary allowance, and discretionary aid for use in a particular school year. The discretionary mill rate shall equal .001 for 1981-1982 aid. For the 1981 payable 1982 levy and 1982-1983 aid, and for the levy and aid for succeeding years, the discretionary mill rate shall equal .00225 in districts which levy pursuant to section 275.125, subdivision 7a, clause (2), and .001 in districts which levy pursuant to section 275.125, subdivision 7a, clause (3).

Subd. 3. [DISCRETIONARY REVENUE.] A district's discretionary revenue for each school year shall equal its discretionary allowance for that school year times its total pupil units for the preceding school year.

Subd. 4. [DISCRETIONARY AID.] A district's discretionary aid for each school year shall equal its discretionary revenue for that year, minus the discretionary mill rate times the applicable adjusted assessed valuation of the district.

Sec. 25. [124.2126.] [MINIMUM AID.] Subdivision 1. [QUALIFICATION.] *A district where the assessed valuation of agricultural land identified in section 273.13, subdivisions 4, 6 and 6a, comprises 60 percent or more of the assessed valuation of the district shall qualify for minimum aid.*

Subd. 2. [GUARANTEE.] A qualifying district's "minimum guarantee" for each school year shall equal \$800 times its total pupil units for that school year, minus its basic foundation aid for that school year.

Subd. 3. [MINIMUM AID.] A qualifying district's minimum aid for each school year shall equal its minimum guarantee for that school year, minus the sum of:

(1) The amount of the district's state school agricultural tax credit aid for that school year;

(2) The amount by which property taxes of the district for use in that school year are reduced by the homestead credit provisions in section 273.13, subdivisions 6, 7, and 14a;

(3) The amount by which property taxes of the district for use in that school year are reduced by the taconite homestead credit provisions in section 273.135; and

(4) The amount by which property taxes of the district for use in that school year are reduced by the attached machinery provisions in section 273.138,

subdivision 6.

Sec. 26. [124.2127.] [SHARED TIME PUPILS.]

Subdivision 1. [DEFINITION; FOUNDATION AID.] Shared time pupils are defined as those pupils who attend public school programs for part of the regular school day and who otherwise fulfill the requirements of section 120.10 by attendance at a nonpublic school.

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

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

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

(d) Notwithstanding the provisions of clause (c), the resident district of a shared time pupil attending shared time classes in another district may grant the district of attendance, upon its request, permission to claim the pupil as a resident for state aid purposes. In this case, state aid shall be paid to the district of attendance and, upon agreement, the district of attendance may bill the resident district for any unreimbursed education costs, but not for unreimbursed transportation costs. The agreement may, however, provide for the resident district to pay the cost of any of the particular transportation categories specified in section 124.225, subdivision 1, and in this case, aid for those categories shall be paid to the district of residence rather than to the district of attendance.

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

Subd. 2. [LOCATION OF SERVICES.] Public school programs may be provided to shared time pupils only at a public school building; provided, however, that special instruction and services for handicapped children required pursuant to section 120.17 may also be provided at a neutral site as defined in section 123.932, and diagnostic and health services required pursuant to section 120.17 may also be provided at a nonpublic school building. As used in this subdivision, "diagnostic services" means speech, hearing, vision, psychological, medical and dental diagnostic services and "health

services'' means physician, nursing or optometric services provided to pupils in the field of physical and mental health.

Sec. 27. [124.2128.] [DEDUCTIONS FROM FOUNDATION AID.]

Subdivision 1. [UNDERLEVIES.] A district's basic foundation, grandfather, replacement or discretionary aid, as applicable, for any school year when the actual amount of the corresponding levy for use in that year is less than the permitted amount, shall be reduced by a percentage equal to the difference between the actual amount and the permitted amount, divided by the permitted amount. This provision shall apply to basic foundation aid only for a school year when the actual amount of the basic maintenance levy for use in that year is less than 95 percent of the permitted amount.

Subd. 2. [PERMANENT SCHOOL FUND.] The amount of money received by a school district as income from the permanent school fund for any year, shall be deducted from the foundation aid earned by the district for the same year or from aid earned from other state sources.

Subd. 3. [MINIMUM.] In no event shall the amount payable to any district from state sources for any one year be reduced below the amount payable as apportionment of the school endowment fund pursuant to sections 124.08 to 124.10.

Subd. 4. [COUNTY APPORTIONMENT DEDUCTION.] (1) The amount of money apportioned to a school district for each school year pursuant to section 124.10, subdivision 2, which exceeds the amount apportioned to that district pursuant to section 124.10, subdivision 2 for the 1976-1977 school year, shall be deducted from the foundation aid earned by that district for the same year.

(2) In addition to the deduction in clause (1), five-sixths of the amount apportioned pursuant to section 124.10, subdivision 2, shall be deducted from foundation aid for the 1981-1982 school year, but this deduction shall not exceed five-sixths of the amount apportioned for the 1976-1977 school year.

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

Subd. 5. [TACONITE DEDUCTIONS.] (1) Notwithstanding any provisions of any other law to the contrary, the adjusted assessed valuation used in calculating foundation aid shall include only that property which is currently taxable in the district.

(2) For districts which received payments under sections 294.21 to 294.26; 298.23 to 298.28; 298.34 to 298.39; 298.391 to 298.396; 298.405; 298.51 to 298.67; any law imposing a tax upon severed mineral values, or under any other law distributing proceeds in lieu of ad valorem tax assessments on copper or nickel properties or recognized revenue pursuant to section 477A.15; the foundation aid shall be reduced in the October adjustment payment by the difference between the dollar amount of the payments received pursuant to those sections, or revenue recognized pursuant to section 477A.15 in the fiscal year to which the October adjustment is attributable and the amount which was calculated, pursuant to section 275.125, subdivision 9, as a reduction of the

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

Subd. 6. [DISCRETIONARY AID FUND BALANCE REDUCTION.] A district's discretionary aid for any school year shall be reduced by the amount specified in section 38 of this article.

Sec. 28. [124.2129.] [FOUNDATION AID; RESIDENT AND NONRESIDENT DISTRICTS.]

Subdivision 1. [AID TO DISTRICT OF RESIDENCE.] Foundation aids shall be paid to the district of residence unless otherwise specifically provided by law.

Subd. 2. [DISTRICT WITHOUT SCHOOLS.] Any district not maintaining classified elementary or secondary schools shall pay the tuition required in order to enable resident pupils to attend school in another district when necessary, and shall receive foundation aid pursuant to this section on the same basis as other districts. The aid shall be computed as if the pupils were enrolled in the district of residence.

Subd. 3. [NOTIFICATION OF RESIDENT DISTRICT.] Any school district educating children who are residents of another school district shall notify the district of residence within 60 days of the date the child is determined by the district to be a nonresident, but not later than October 1 following the end of the school year in which the child is educated. If the district of residence does not receive a notification from the providing district pursuant to this subdivision, it shall not be liable to that district for any tuition billing received after October 1 of the next school year.

Subd. 4. [STATE AGENCY AND COURT PLACEMENTS.] If a state agency or a court of the state desires to place a child in a school district which is not the child's district of residence, that agency or court shall, prior to placement, allow the district of residence an opportunity to participate in the placement decision and notify the district of residence, the district of attendance and the commissioner of education of the placement decision. When a state agency or court determines that an immediate emergency placement is necessary and that time does not permit district participation in the placement decision or notice to the districts and the commissioner of education of the placement decision prior to the placement, the agency or court may make the decision and placement without that participation or prior notice. The agency or court shall notify the district of residence, the district of attendance and the commissioner of education of an emergency placement within 15 days of the placement.

Sec. 29. Minnesota Statutes 1980, Section 124.213, is amended to read:

124.213 [STATE SCHOOL AGRICULTURAL CREDIT.]

Subdivision 1. [TAX REDUCTIONS.] The county auditor shall reduce the tax for school purposes on all property receiving the homestead credit pursuant to section 273.13, subdivision 6, by an amount equal to the tax levy that would be produced by applying a rate of 17 mills on the property. The county auditor shall reduce the tax for school purposes on all other agricultural lands and all real estate devoted to temporary and seasonal residential occupancy for recreational purposes, but not devoted to commercial purposes, by an amount that would be produced by applying a rate of ten mills on the property. The amounts so computed by the county auditor shall be submitted to the commissioner of revenue as part of the abstracts of tax lists required to be filed with the commissioner under the provisions of section 275.29. Any prior year adjustments shall also be certified in the abstracts of tax lists. The commissioner of revenue shall review such certifications to determine their accuracy. He may make such changes in the certification as he may deem necessary or return a certification to the county auditor for corrections.

In 1977, payment shall be made according to the procedure provided in section 273.13, subdivision 15a, for the purpose of replacing revenue lost as a result of the reduction of property taxes provided in this section. In 1978, payment shall be made pursuant to sections 124.212, subdivision 7b and 124.11, for the purpose of replacing revenue lost as a result of the reduction in property taxes provided in this section. There is appropriated from the general fund in the state treasury to the commissioner of revenue the amount necessary to make these payments in fiscal year 1978.

Subd. 2. [STATE AID.] A school district's state school agricultural tax credit aid for each school year shall equal the amount by which property taxes certified in the district for collection in the calendar year ending in that school year are reduced pursuant to subdivision 1.

Subd. 3. [APPROPRIATION.] There is appropriated from the general fund in the state treasury to the department of education the amount necessary to make these payments in fiscal year 1979 and thereafter.

Sec. 30. Minnesota Statutes 1980, 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, 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, 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)~~, and subdivisions 5, 6c, and 7a to the total amount of the district's maximum levy limitation in the preceding October pursuant to section 275.125. For purposes of this computa-

tion, the district's levy limitation pursuant to section 275.125, subdivision 5, shall not include the amounts authorized to be levied for bus purchases or because of extraordinary traffic hazards. The abatement adjustment shall be recognized as revenue in the fiscal year in which it is received.

Sec. 31. Minnesota Statutes 1980, Section 275.125, Subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] Except as may otherwise be provided in this section, the words and phrases defined in sections 124.01 and, 124.212, section 17 of this article and sections 20 to 24 of this article when used in this section shall have the meanings ascribed to them in those sections.

Sec. 32. Minnesota Statutes 1980, Section 275.125, Subdivision 2a, is amended to read:

Subd. 2a. [BASIC MAINTENANCE LEVY.] (1) ~~In 1979~~ Each year, a school district may levy for all general and special school purposes, an amount ~~equal to not to exceed~~ the amount raised by ~~23 mills~~ the basic maintenance mill rate times the ~~1978~~ adjusted assessed valuation of the district ~~for the preceding year~~.

(2) ~~In 1980~~, a school district may levy for all general and special school purposes, an amount equal to the amount raised by ~~21 mills~~ times the ~~1979~~ adjusted assessed valuation of the district.

(3) For any district levying less than 95 percent of the maximum levy allowable in clauses (1) and (2), the foundation aid to the district for the school year when the levy is recognized as revenue, calculated pursuant to section 124.212, subdivision 7e, clauses (1) and (6); or section 124.212, subdivision 7d, clauses (1) and (6); or their successor provisions, as applicable, shall be reduced to an amount equal to the ratio between the actual levy and the maximum levy allowable under clauses (1) and (2) times the foundation aid calculated pursuant to section 124.212, subdivision 7e, clauses (1) and (6); or section 124.212, subdivision 7d, clauses (1) and (6); or their successor provisions, as applicable, to which the district is otherwise entitled for that year. For purposes of computations pursuant to this clause, the maximum levy allowable and the actual levy under clauses (1) and (2) shall be increased by any reduction of this levy which is required by section 275.125, subdivision 9 or any other law. For purposes of this subdivision, the term "basic maintenance mill rate" shall have the meaning given it in section 21 of this article.

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

ation shall be authorized for certification for the number of years approved, if applicable, or until revoked by the voters of the district at a subsequent referendum.

(b) (2) A referendum on the question of revoking the increased levy amount authorized pursuant to clause (a) (1) of this ~~clause~~ subdivision may be called by the school board and shall be called by the school board upon the written petition of qualified voters of the district. ~~The amount~~ A levy approved by the voters of the district pursuant to clause (a) (1) of this ~~clause~~ subdivision must be ~~levied~~ made at least once before it is subject to a referendum on its revocation for subsequent years. Only one such revocation election may be held to revoke a levy for any specific year and for years thereafter.

(c) (3) A petition authorized by clauses (a) (1) or (b) of this ~~clause~~ (2) shall be effective if signed by a number of qualified voters in excess of 15 percent, or ten percent if the school board election is held in conjunction with a general election, of the average number of voters at the two most recent district wide school elections. A referendum invoked by petition shall be held within three months of submission of the petition to the school board.

(d) (4) Notwithstanding any law to the contrary, the approval of 50 percent plus one of those voting on the question is required to pass a referendum.

(e) (5) Within 30 days after the district holds a referendum pursuant to this clause, the district shall notify the commissioner of education of the results of the referendum.

Sec. 33. Minnesota Statutes 1980, Section 275.125, Subdivision 2c, is amended to read:

Subd. 2e 2e: [BASIC MAINTENANCE LEVY; DISTRICTS OFF THE FORMULA.] (1) ~~Beginning in 1979~~. In any year when the amount of the maximum levy limitation under subdivision 2a, ~~clause (1) or (2)~~, for any district ~~with fewer than 950 pupil units under section 124.17, subdivision 1, clauses (1) and (2)~~, exceeds the product of the district's foundation aid formula allowance for the year in which the levy is recognized as revenue times the estimated number of *actual and AFDC* pupil units for that district ~~identified in section 124.17, subdivision 1, clauses (1), (2), (4) and (5)~~, for that school year, the levy limitation for that district under subdivision 2a, ~~clause (1) or (2)~~, shall be limited to the greater of the dollar amount of the levy the district certified in 1977 under Minnesota Statutes 1978, Section 275.125, subdivision 2a, clause (1), or the following difference but not to exceed the levy limitation under subdivision 2a, ~~clause (1) or (2)~~:

(a) the product of the district's foundation aid formula allowance ~~under section 124.212~~ for the school year in which the levy is recognized as revenue, times the estimated number of *actual and AFDC* pupil units for that district ~~identified in section 124.17, subdivision 1, clauses (1), (2), (4) and (5)~~, for that school year, less

(b) the estimated amount of any payments which would reduce the district's foundation aid entitlement as provided in section ~~124.212~~ 27, subdivision ~~5a~~ 4 of this article in the school year in which the levy is recognized as revenue.

(2) A levy made by a district pursuant to this subdivision shall be construed to be the levy made by that district pursuant to subdivision 2a, ~~clause (1) or (2)~~,

for purposes of statutory cross-reference.

Sec. 34. Minnesota Statutes 1980, Section 275.125, is amended by adding a subdivision to read:

Subd. 2f. [SUMMER SCHOOL LEVY.] A district may levy for summer school programs an amount equal to the following product:

(1) The district's summer school revenue allowance as defined in section 124.20 for the calendar year when the levy is certified, times

(2) the lesser of

(a) one or

(b) the ratio of

(i) the quotient derived by dividing the adjusted assessed valuation of the district in the third preceding year, by the number of actual and AFDC pupil units in the district in the preceding regular school year, to

(ii) the equalizing factor for the preceding regular school year.

Sec. 35. Minnesota Statutes 1980, Section 275.125, Subdivision 6b, is amended to read:

Subd. 6b. [GRANDFATHER LEVY.] (1) In 1979 any district which qualified in 1978 for an excess levy under Minnesota Statutes 1978, Section 275.125, Subdivision 6 or 7, may levy an amount equal to the product obtained by multiplying

(a) the lesser of

(i) one or

(ii) the ratio of the district's 1978 adjusted assessed valuation per pupil unit identified in section 124.17, subdivision 1, clauses (1), (2), (4) and (5), in the district in 1979-1980, to the state average 1978 adjusted assessed valuation per pupil unit identified in section 124.17, subdivision 1, clauses (1), (2), (4) and (5), in the state in 1979-1980, times

(b) the product obtained by multiplying

(i) the amount per pupil unit which the district was permitted to levy in 1978 under Minnesota Statutes 1978, Section 275.125, Subdivisions 6 and 7, times

(ii) the number of pupil units identified in section 124.17, subdivision 1, clauses (1), (2), (6), and (7), in the district in 1979-1980. For purposes of this subdivision, the terms "grandfather guarantee" and "grandfather allowance" shall have the meanings given them in section 22 of this article.

(2) In 1980 and Each year thereafter, any district which qualified in 1979 for an excess levy under clause (1) this subdivision, shall be allowed to levy an amount equal to the product obtained by multiplying

(a) the lesser of

(i) one or

(ii) the ratio of the district's adjusted assessed valuation in the preceding year per actual and AFDC pupil unit identified in section 124.17, subdivision 1, clauses (1), (2), (4) and (5), in the school year when the levy is certified, to the

state average adjusted assessed valuation in the preceding year per *actual* and AFDC pupil unit identified in section 124.17, subdivision 1, clauses (1), (2), (4), and (5), in the school year when the levy is certified, times

(b) the greater of

(i) the amount derived in clause (1), part (b) the district's grandfather guarantee, or

(ii) the product obtained by multiplying

(A) the number of *actual* pupil units identified in section 124.17, subdivision 1, clauses (1) and (2) in the district in the school year when the levy is certified, times

the quotient obtained by dividing the amount derived in clause (1), part (b), by the number of pupil units identified in section 124.17, subdivision 1, clauses (1) and (2), in the district in 1979-1980 (B) the district's grandfather allowance.

(3) For purposes of computing levy limitations pursuant to this subdivision and the matching grandfather aid, the department shall use and shall not be required to subsequently adjust the state average adjusted assessed valuation per pupil unit determined as of the September 1 before the levy is certified.

Sec. 36. Minnesota Statutes 1980, Section 275.125, Subdivision 6c, is amended to read:

Subd. 6c. [REPLACEMENT LEVY.] (1) In 1979 any district may levy an amount equal to the lesser of

(a) the product obtained by multiplying

(i) the ratio of

(A) the quotient obtained by dividing the sum of the additional amounts of aid the district would receive if pupil units identified in section 124.17, subdivision 1, clauses (6) and (7) were used in addition to the pupil units identified in section 124.17, subdivision 1, clauses (1), (2), (4) and (5), in the computation pursuant to section 124.212, subdivision 7e, clause (1), and if section 124.224 were effective in the 1980-1981 school year, by the number of pupil units identified in section 124.17, subdivision 1, clauses (1), (2), (4) and (5), in the district in 1980-1981, to

(B) \$55,000, times

(ii) the district's 1978 adjusted assessed valuation, or

(b) the additional amounts of aid the district would receive if pupil units identified in section 124.17, subdivision 1, clauses (6) and (7) were used in addition to the pupil units identified in section 124.17, subdivision 1, clauses (1), (2), (4) and (5), in the computation pursuant to section 124.212, subdivision 7e, clause (1), and if section 124.224 were effective in the 1980-1981 school year. For purposes of this subdivision, the term "replacement revenue" shall have the meaning given it in section 23 of this article.

(2) In 1980 and Each year thereafter, any district which qualified for a levy under clause (1) this subdivision in 1979 may levy an amount equal to

(a) the product obtained by multiplying

(i) the ratio of the foundation aid formula allowance district's replacement revenue for the school year to which the levy is attributable pursuant to section 121.904, subdivision 4, to \$1,265, times

(ii) the ratio of the amount derived in Clause (1), part (a) (i) (A), to the equalizing factor for the school year to which the levy is attributable, times

(iii) (ii) the lesser of

(A) one or

(B) the ratio of the district's adjusted assessed valuation for the preceding year, or

(b) the product obtained by multiplying

(i) 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 to which the levy is attributable pursuant to section 121.904, subdivision 4, times

(ii) the ratio of the foundation aid formula allowance for the year to which the levy is attributable pursuant to section 121.904, subdivision 4, to \$1,265, times

(iii) the amount derived in Clause (1), part (a) (i) (A), per actual and AFDC pupil unit in the school year to which the levy is attributable, to the equalizing factor for the school year to which the levy is attributable.

Sec. 37. Minnesota Statutes 1980, Section 275.125, Subdivision 7a, is amended to read:

Subd. 7a. [DISCRETIONARY LEVY.] (1) In 1980 each district which levies the maximum permissible amount pursuant to subdivision 2a, clause (1) or (2) and subdivision 6b, may levy an additional amount which shall not exceed the lesser of (a) an amount equal to one mill times the district's 1979 adjusted assessed valuation or (b) the product obtained by multiplying \$64.48 times the number of pupil units identified in section 124.17, subdivision 1, clauses (1), (2), (4), and (5), in the district in the 1980-1981 school year. For purposes of this subdivision, the terms "discretionary allowance" and "discretionary mill rate" shall have the meanings given them in section 24 of this article.

(2) In 1981 and each year thereafter, each a district which levies the maximum permissible amount pursuant to subdivision 2a, clause (1) or (2) and subdivision 6b may levy an additional amount which shall not exceed the lesser of (a) an amount equal to $1\frac{1}{2}$ mills the discretionary mill rate times the district's adjusted assessed valuation for the preceding year or (b) the product obtained by multiplying (i) $1\frac{1}{2}$ times (ii) the ratio of the equalizing factor to 1,000 the applicable discretionary allowance times (iii) the number of actual and AFDC 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) In 1981 and each year thereafter, a district which levies the maximum permissible amount pursuant to subdivision 2a and subdivision 6b, and where the net unappropriated balance in all operating funds as of the preceding June 30 is less than \$165 per actual and AFDC pupil unit in the district in the school year when the levy is certified, may levy an amount which shall not exceed the lesser of (a) one mill times the district's adjusted assessed valuation for the

preceding year or (b) the product obtained by multiplying the applicable discretionary allowance times the total number of pupil units in the district in the school year when the levy is certified, without holding a public hearing or conducting a referendum pursuant to clause (5).

(4) The board is not required to hold a public hearing or conduct a referendum on the levy authorized by this subdivision in any year when it levies pursuant to clause (3) or when the board proposes to levy an amount not to exceed an amount equal to the preceding year's adjusted assessed valuation times the largest number of EARC mills previously levied by the district pursuant to this subdivision.

(5)(a) Except as provided in clause (3), the provisions of clause (5) shall apply to the levy authorization in this subdivision in any year when the board either proposes to levy pursuant to this subdivision for the first time or proposes to increase the number of mills which it levies against its adjusted assessed valuation pursuant to this subdivision to a number of mills greater than the largest number of mills previously levied against its adjusted assessed valuation pursuant to this subdivision.

(b) 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 July 15 in any year when clause (5) applies, the board of the district shall hold a public hearing on the need for the proposed levy pursuant to this subdivision or increase. At least three weeks published notice of the hearing in 10 point type or 5.0 agate 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 or increase in dollars, in EARC mills and in auditor's mills, and the estimated net unappropriated fund balance in the district's operating funds as of the June 30 before the levy or increase is certified, and the tax impact of the proposed levy on homesteads with market values of \$30,000 and \$50,000.

(c) At the hearing, the district shall present its proposed revenue and expenditure budgets for the next two school years and, the estimated net unappropriated fund balances in all district funds as of the June 30 before the levy or increase is certified, and the estimated amount in dollars, in EARC mills and in auditor's mills of any reduction of the proposed levy which may be required by section 38 of this article. At the hearing, and the board shall also hear all parties requesting to give testimony for and against the proposed levy or increase. Upon receipt of a petition within 20 30 days after the hearing of the greater of (a) 50 voters, or (b) 15 percent of the number of voters who voted in the district at the most recent regular school board election, the board shall call a referendum on a reduction of the proposed levy or increase. 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. A petition shall be effective if signed by a number of qualified voters in the district equal to the greater of 50 voters or 15 percent of the number of voters who voted in the district at the most recent regular school board election.

(d) The referendum shall be held on a date set by the school board, but no

later than the ~~August 20~~ September 20 before the levy is certified. 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 ballot shall state substantially the following, as appropriate:

The board of _____ School District No. _____ has proposed (a discretionary levy in a maximum amount of _____ EARC mills which would raise) (to increase a discretionary levy from _____ EARC mills to _____ EARC mills. This increase would provide an additional) \$_____ in the first year levied.

Shall the (increase in the) discretionary levy

_____ Yes proposed by the Board of School

_____ No District No. be approved?

(e) The approval of a majority of those voting on the question is required to pass the referendum.

(f) If a petition is not received or if the proposed levy or increase is approved at a referendum, the district may levy the amount provided by the number of mills proposed by the school board, in the year when the hearing or referendum is held and in succeeding years. If a proposed first time levy is not approved, except as provided in clause (3), the district may not levy pursuant to this subdivision in the year when the referendum is held and shall be required to comply with the provisions of clause (5) before levying pursuant to this subdivision in a subsequent year. If a proposed increase is not approved, the district may levy an amount not to exceed 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 largest number of EARC mills previously levied by the district pursuant to this subdivision, 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 which succeeds a year in which a levy is certified pursuant to this subdivision.

Sec. 38. Minnesota Statutes 1980, Section 275.125, is amended by adding a subdivision to read:

Subd. 7c. [DISCRETIONARY LEVY FUND BALANCE PROVISION.] Beginning with the 1981 levy, for a district where the net unappropriated operating fund balance as of the June 30 before the levy is certified exceeds \$500 per actual and AFDC pupil unit in the year when the levy is certified, the discretionary levy limitation shall be reduced by the amount of the excess times the lesser of one or the ratio of the district's EARC valuation for the preceding year per actual and AFDC pupil unit in the school year when the levy is certified, to the equalizing factor. Beginning with the 1982-1983 school year, the discretionary aid for the year when that levy is used shall be reduced by any amount of the excess which is not subtracted from the levy.

Sec. 39. Minnesota Statutes 1980, Section 275.125, Subdivision 9, is amended to read:

Subd. 9. [LEVY REDUCTIONS; TACONITE.] (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 294.26; 298.23 to 298.28; 298.34 to 298.39; 298.391 to 298.396; 298.405; 298.51 to 298.67; 477A.15; 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, or *recognized revenue pursuant to section 477A.15*; 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 *or revenue recognized pursuant to section 477A.15* in the previous fiscal year; or

(b) an amount equal to the total dollar amount of the payments received pursuant to those sections *or revenue recognized pursuant to section 477A.15* in the previous fiscal year less the product of the same dollar amount of payments *or revenue* 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 ten 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) 2d~~ 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 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 294.26; 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~~ 27, subdivision ~~8a~~ 5, clause (2), *of this article* 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~~ 27, subdivision ~~8a~~ 5, *of this article* 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. 40. Minnesota Statutes 1980, Section 275.125, Subdivision 9a, is amended to read:

Subd. 9a. [STATUTORY OPERATING DEBT LEVY.] (1) In 1978 and each year thereafter in which so required by this subdivision, a district shall make an additional levy to eliminate its statutory operating debt, determined as of June 30, 1977 and certified and adjusted by the commissioner. This levy shall not be made in more than 20 successive years and each year before it is made, it must be approved by the commissioner and the approval shall specify its amount. This levy shall in each year be an amount which is equal to the amount raised by a levy of 1.5 mills times the adjusted assessed valuation of the district for the preceding year as determined by the equalization aid review committee; provided that in the last year in which the district is required to make this levy, it shall levy an amount not to exceed the amount raised by a levy of 1.5 mills times the adjusted assessed valuation of the district for the preceding year as determined by the equalization aid review committee. When the cumulative levies made pursuant to this subdivision equal an amount equal to the statutory operating debt of the district, the levy shall be discontinued.

(2) The district shall establish a special account in the general fund which shall be designated "appropriated fund balance reserve account for purposes of reducing statutory operating debt" on its books and records. This account shall reflect the levy authorized pursuant to this subdivision. The proceeds of this levy shall be used only for cash flow requirements and shall not be used to supplement district revenues or income for the purposes of increasing the district's expenditures or budgets.

(3) Any district which is required to levy pursuant to this subdivision shall certify the maximum levy allowable under subdivision 2a, ~~clause (1) or (2)~~ in that same year.

(4) Each district shall make permanent fund balance transfers so that the total statutory operating debt of the district is reflected in the general fund as of June 30, 1977.

Sec. 41. Minnesota Statutes 1980, Section 275.125, Subdivision 19, is amended to read:

Subd. 19. [LEVY REDUCTION; MINIMUM AID.] ~~Beginning with the 1979 payable 1980 levy,~~ Any district which it is estimated will receive an amount of minimum foundation aid pursuant to section ~~124.212, subdivision 7e, clause (6)~~ 25 *of this article* or its successor provision in the year to which the levy is attributable, shall reduce its levy limitation pursuant to subdivision

2a, ~~clause (4) or (2)~~, by the amount of minimum foundation aid which it is estimated that the district will receive in the year to which the levy is attributable.

Sec. 42. Minnesota Statutes 1980, Section 275.125, Subdivision 20, is amended to read:

Subd. 20. [ESTIMATES.] The computation of levy limitations pursuant to ~~subdivisions 2b, 2c, 6e and 49~~ *this section* shall be based on estimates where necessary. If as a result of using estimates for these computations the amount of any levy is different from the amount which could actually have been levied if actual data had been available, levy limitations in the first year when the actual data is known shall be adjusted to reflect for this difference. The amount of any adjustment to levy limitations pursuant to this subdivision shall be recognized as revenue in the school year when the levy for which the levy limitation is so adjusted is recognized as revenue.

Sec. 43. Minnesota Statutes 1980, Section 298.28, Subdivision 1, is amended to read:

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

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

(2) 12.5 cents per taxable ton, less any amount distributed under clause (8), to the taconite municipal aid account in the apportionment fund of the state treasury, to be distributed as provided in section 298.282.

(3) 29 cents per taxable ton *plus the increase provided in paragraph (c) to qualifying school districts* to be distributed as follows:

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

(b) 23 cents per taxable ton, less any amount distributed under part ~~(e)~~ (d), shall be distributed to a group of school districts comprised of those school districts wherein the taconite was mined or quarried or the concentrate produced or in which there is a qualifying municipality as defined by section

273.134. The 23 cents, less any amount distributed under part (c), shall be distributed in direct proportion to school district tax levies as follows: each district shall receive that portion of the total distribution which its permitted levy for the prior year, computed pursuant to section 275.125, comprises of the sum of permitted levies for the prior year for all qualifying districts, computed pursuant to section 275.125. For purposes of distributions pursuant to this part, permitted levies for the prior year computed pursuant to section 275.125 shall not include the amount of any increased levy authorized by referendum pursuant to section 275.125, subdivision 2a, clause (4) 2d.

(c) On July 15, 1982 and on July 15 in subsequent years, an amount equal to the increase derived by increasing the amount determined by clause (3)(b) in the same proportion as the increase in the steel mill products index over the base year of 1977 as provided in section 298.24, subdivision 1, clause (a), shall be distributed to any school district described in clause (3)(b) where a levy increase pursuant to section 275.125, subdivision 2d, is authorized by referendum, according to the following formula. Each district shall receive the product of:

(i) \$150 times the pupil units identified in section 124.17, subdivision 1, clauses (1) and (2), enrolled in the previous school year, less the product of two mills times the district's taxable valuation in the second previous year; times

(ii) the lesser of:

(A) one, or

(B) the ratio of the amount certified pursuant to section 275.125, subdivision 2d, in the previous year, to the product of two mills times the district's taxable valuation in the second previous year.

If the total amount provided by clause (3)(c) is insufficient to make the payments herein required then the entitlement of \$150 per pupil unit shall be reduced uniformly so as not to exceed the funds available. Any amounts received by a qualifying school district in any fiscal year pursuant to clause (3)(c) shall not be applied to reduce foundation aids which the district is entitled to receive pursuant to section 124.212 or the permissible levies of the district. Any amount remaining after the payments provided in this paragraph shall be paid to the commissioner of finance who shall deposit the same in the taconite environmental protection fund and the northeast Minnesota economic protection fund as provided in section 298.28, subdivision 1, clause 10.

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

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

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

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

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

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

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

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

(6) One cent per taxable ton to the state for the cost of administering the tax imposed by section 298.24.

(7) Three cents per taxable ton shall be deposited in the state treasury to the credit of the iron range resources and rehabilitation board account in the special revenue fund for the purposes of section 298.22. The amount determined in this clause shall be increased in 1981 and subsequent years in the same proportion as the increase in the steel mill products index as provided in section 298.24, subdivision 1. The amount distributed pursuant to this clause shall be expended within or for the benefit of a tax relief area defined in section 273.134. No part of the fund provided in this clause may be used to provide loans for the operation of private business unless the loan is approved by the governor and the legislative advisory commission.

(8) .20 cent per taxable ton shall be paid in 1979 and each year thereafter, to the range association of municipalities and schools, for the purpose of providing an area wide approach to problems which demand coordinated and cooperative actions and which are common to those areas of northeast Minnesota affected by operations involved in mining iron ore and taconite and producing concentrate therefrom, and for the purpose of promoting the general welfare and economic development of the cities, towns and school districts within the iron range area of northeast Minnesota.

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

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

one-half to each fund. The proceeds shall be placed in the respective special accounts in the general fund.

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

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

On or before October 10 of each calendar year each producer of taconite or iron sulphides subject to taxation under section 298.24 (hereinafter called "taxpayer") shall file with the commissioner of revenue and with the county auditor of each county in which such taxpayer operates, and with the chief clerical officer of each school district, city or town which is entitled to participate in the distribution of the tax, an estimate of the amount of tax which would be payable by such taxpayer under said law for such calendar year; provided such estimate shall be in an amount not less than the amount due on the mining and production of concentrates up to September 30 of said year plus the amount becoming due because of probable production between September 30 and December 31 of said year, less any credit allowable as hereinafter provided. Such estimate shall list the taxing districts entitled to participate in the distribution of such tax, and the amount of the estimated tax which would be distributable to each such district in the next ensuing calendar year on the basis of the last percentage distribution certified by the commissioner of revenue. If there be no such prior certification, the taxpayer shall set forth its estimate of the proper distribution of such tax under the law, which estimate may be corrected by the commissioner if he deems it improper, notice of such correction being given by him to the taxpayer and the public officers receiving such estimate. The officers with whom such report is so filed shall use the amount so indicated as being distributable to each taxing district in computing the permissible tax levy of such county, city or school district in the year in which such estimate is made, and payable in the next ensuing calendar year, except that in 1978 and 1979 two cents per taxable ton, and in 1980 and thereafter, one cent per taxable ton of the amount distributed under clause (4)(c) shall not be deducted in calculating the permissible levy. Such taxpayer shall then pay, at the times payments are required to be made pursuant to section 298.27, as the amount of tax payable under section 298.24, the greater of (a) the amount shown by such estimate, or (b) the amount due under said section as finally determined by the commissioner of revenue pursuant to law. If, as a result of the payment of the amount of such estimate, the taxpayer has paid in any calendar year an amount of tax in excess of the amount due in such year under section 298.24, after application of credits for any excess payments made in previous years, all as determined by the commissioner of revenue, the taxpayer shall be given credit for such excess amount against any taxes which, under said section, may become due from the taxpayer in subsequent years. In any calendar year in which a general property tax levy subject to sections 275.125 or 275.50 to 275.59 has been made, if the taxes distributable to any such county, city or school district are greater than the amount estimated to be paid to any such county, city or school district in such year, the excess of such distribution shall be held in a special fund by the county, city or school district and shall not be expended until the succeeding calendar year, and shall be

included in computing the permissible levies under sections 275.125 or 275.50 to 275.59, of such county, city or school district payable in such year. If the amounts distributable to any such county, city or school district, after final determination by the commissioner of revenue under this section are less than the amounts indicated by such estimates, such county, city or school district may issue certificates of indebtedness in the amount of the shortage, and may include in its next tax levy, in excess of the limitations of sections 275.125 or 275.50 to 275.59 an amount sufficient to pay such certificates of indebtedness and interest thereon, or, if no certificates were issued, an amount equal to such shortage.

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

Sec. 44. [DULUTH AIR BASE CLOSING; AID.]

Subdivision 1. [DETERMINING PUPIL UNIT REDUCTION.] In the 1981-1982 school year, Independent School Districts No. 700, No. 704, and No. 709 shall determine the reduction in number of pupil units from the 1980-1981 school year because of the closing of the Duluth air base.

Subd. 2. [1981-1982 ADJUSTMENT.] In the 1981-1982 school year, Independent School Districts No. 700, No. 704, and No. 709 shall receive 50 percent of the foundation aid lost because of the reduction in pupil units pursuant to subdivision 1.

Sec. 45. [LEVY ADJUSTMENTS.]

In 1981, the maximum levy limitation under Minnesota Statutes, Section 275.125, Subdivision 2a or 2e, as applicable, for each district shall be reduced by any difference between the amount of the basic maintenance levy certified by the district in 1980 and the amount of the 1980 basic maintenance levy limitation which would have been computed for the district using a formula allowance of \$1,318.

Sec. 46. [USE OF RESTORATION FUNDS.]

Moneys paid to a school district pursuant to Session Laws 1981, Chapter 1, may be deposited in the school district's general fund and may be used for any expenditure for which general fund moneys may be used, notwithstanding any provision in the law restricting the use of moneys to the specific purpose for which the moneys were appropriated.

Sec. 47. [EVALUATION OF GRANDFATHER AND REPLACEMENT LEVY.]

The state department of education shall study and evaluate the effects of the grandfather and replacement levy limitations and grandfather and replacement aid and report the findings of this study to the education committees of the

legislature before February 15, 1982. The reports shall include recent data on patterns of revenue, expenditures, unit costs, and fund balances of school districts.

Sec. 48. [INSTRUCTIONS TO REVISOR.]

In accordance with section 648.34, in the next edition of Minnesota Statutes, the revisor of statutes shall transfer Minnesota Statutes, Section 124.212, Subdivisions 10 to 18, including any 1981 amendments to these subdivisions, into a new section coded as [124.2131.] with a headnote entitled [EQUALIZATION AID REVIEW COMMITTEE.], and shall alter the references to those subdivisions in the statutes so as to conform to the transfer.

Sec. 49. [REPEALER.]

Minnesota Statutes 1980, Sections 122.531, Subdivision 7; 124.01, Subdivisions 2, 3, and 4; 124.212, Subdivisions 2, 4, 5, 5a, 6c, 7c, 7d, 8a, 9, 9a, 9b, 20, 20a, and 21; and 275.125, Subdivisions 2b and 7b, are repealed.

Sec. 50. [APPROPRIATION.]

Subdivision 1. There is appropriated from the general fund to the department of education the sums indicated in this section for the fiscal years ending June 30 in the years designated.

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

\$724,700,000.....1982,

\$614,000,000.....1983.

The appropriation for 1982 includes \$68,500,000 for aid for fiscal year 1981 payable in fiscal year 1982, and \$656,200,000 for aid for fiscal year 1982 payable in fiscal year 1982.

The appropriation for 1983 includes \$65,200,000 for aid for fiscal year 1982 payable in fiscal year 1983, and \$548,800,000 for aid for fiscal year 1983 payable in fiscal year 1983.

Subd. 3. [SUMMER SCHOOL.] For state aid for summer school there is appropriated:

\$11,470,400.....1982,

\$11,930,400.....1983.

The appropriation for 1982 is for 1981 summer school programs.

The appropriation for 1983 is for 1982 summer school programs.

If the appropriation amounts for this purpose are insufficient, the aid shall be prorated among all qualifying districts and the state shall not be obligated for any amount in excess of the appropriations in this subdivision for this purpose.

Subd. 4. [CANCELLATION.] Any unexpended balance remaining from the appropriations in this section for 1982 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.

Sec. 51. [EFFECTIVE DATE.]

Subdivision 1. Sections 2, 14, 15, 16, 17, and 37 of this article are effective the day following final enactment.

Subd. 2. Section 43 of this article is effective for taxes payable in 1982 for iron ore concentrate produced in any year beginning after December 31, 1980.

ARTICLE II

TRANSPORTATION AID

Section 1. Minnesota Statutes 1980, Section 123.39, Subdivision 1, is amended to read:

Subdivision 1. [GENERAL PROVISIONS.] The board may provide for the free transportation of pupils to and from school, and to schools; in other districts for grades and departments not maintained in the district, including high school, at the expense of the district, when funds are available therefor and if agreeable to the district to which it is proposed to transport the pupils, for the whole or a part of the school year; as it may deem advisable; and subject to its rules. Every driver shall possess all the qualifications required by the rules of the state board of education. In any ~~special or independent~~ school district, the board shall arrange for the attendance of all pupils living two miles or more from the school; through suitable provision for transportation or ~~for~~ through the boarding and rooming of ~~such~~ the pupils as who may be more economically and conveniently provided for by ~~such~~ that means. When transportation is provided, scheduling of routes, establishment of the location of bus stops, manner and method of transportation, control and discipline of school children and any other matter relating thereto shall be within the sole discretion, control and management of the school board. The district is ~~authorized to~~ may provide for the transportation of pupils or expend a reasonable amount for room and board of pupils whose attendance at school can more economically and conveniently be provided for by ~~such~~ that means or who attend school in a building rented or leased by a district within the confines of an adjacent district.

Sec. 2. Minnesota Statutes 1980, 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) [TO AND FROM SCHOOL; BETWEEN SCHOOLS.] Transportation or board of resident *elementary* pupils who reside one mile or more from the public schools which they could attend; ~~or; transportation or board of resident secondary pupils who reside two miles or more from the public schools which they could attend;~~ transportation to, from, or between the schools ~~they~~ the resident pupils attend pursuant to a program approved by the commissioner of education; ~~or; transportation of resident elementary pupils who reside one mile or more from a private nonpublic school actually attended; transportation of resident secondary pupils who reside two miles or more from a nonpublic school actually attended;~~ but with respect to transportation of pupils to nonpublic schools actually attended, only to the extent permitted by sections 123.76 to 123.79 with respect to private school pupils;

(2) [OUTSIDE DISTRICT.] 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 eistrict having a classified secondary school at the expense of the district of the pupil's residence;

(3) [SECONDARY VOCATIONAL CENTERS.] 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) [HANDICAPPED.] 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 *from home or from school during the school day* to other buildings, *including hospitals and treatment centers where special instruction or services required by section 120.17 are provided*, 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 requirement in clause (1) that the pupil reside at least one mile from school in order for the transportation to qualify for aid;

(5) [BOARD AND LODGING: NONRESIDENT HANDICAPPED.] When necessary, board and lodging for nonresident handicapped pupils in a district maintaining special classes;

(6) [SHARED TIME.] 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) [FARIBAULT STATE SCHOOLS.] Transportation for residents to and from the Minnesota school for the deaf or the Minnesota braille and sight-sav- ing school;

(8) [SUMMER SCHOOL.] Services described in clauses (1) to (7) and clauses (9) and (10) when provided in conjunction with a state board approved summer school program;

(9) [COOPERATIVE ACADEMIC AND VOCATIONAL.] 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) [NONPUBLIC SUPPORT SERVICES.] 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. 3. Minnesota Statutes 1980, Section 124.225, Subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] 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) ~~Beginning with the 1980-1981 school year,~~ "Region" means development region as defined in section 462.384, subdivision 5, except that for purposes of this section, development regions 1 and 2 are one region, development regions 4 and 5 are one region, development regions 6E and 6W are one region, and development regions 7E and 7W are 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 12-1/2 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 33-1/3 percent per year of the cost to the district of the reconditioning.

(d) "Total authorized predicted cost" means the total authorized cost predicted by a multiple regression formula determined by the department of education.

~~(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)~~ (e) "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)(f) "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)(g) "Weighted FTE's" means the number of FTE's in each transportation category multiplied by the pupil weighting factor for that category.

(i)(h) "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 located off non-public school premises is a neutral site as defined in section 123.932, subdivision 9.

Sec. 4. Minnesota Statutes 1980, Section 124.225, Subdivision 1a, is amended to read:

Subd. 1a. [WEIGHTING FACTORS.] For ~~the 1980-1981~~ *each* school year ~~and thereafter~~, in computing transportation aid, 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.

Sec. 5. Minnesota Statutes 1980, Section 124.225, Subdivision 3, is amended to read:

Subd. 3. [FORMULA.] For ~~the 1980-1981~~ *each* 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 multiple regression formula shall be determined through stepwise multiple regression analysis for each 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~~ *second preceding* school year and the total authorized predicted cost per weighted FTE for the ~~1978-1979~~ *second preceding* 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~~ *second preceding* 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 7a.

Sec. 6. Minnesota Statutes 1980, Section 124.225, Subdivision 4a, is amended to read:

Subd. 4a. [FORMULA TERMS.] To predict the total authorized cost per weighted FTE for each district ~~beginning in the 1980-1981 school year~~ *pursuant to subdivision 3*, 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-;

(17) *The percentage of the district's square mile area which is classified by the state planning agency as extractive.*

Sec. 7. Minnesota Statutes 1980, Section 124.225, Subdivision 6, is amended to read:

Subd. 6. [INFLATION FACTORS.] *The total authorized predicted cost per weighted FTE determined for a district under subdivision 3 for 1979-1980 shall be increased by 28 percent. The total authorized predicted cost per weighted FTE determined for a district under subdivision 3 for ~~1978-1979~~ 1980-1981 shall be increased by ~~29~~ 25 percent.*

Sec. 8. Minnesota Statutes 1980, Section 124.225, Subdivision 7a, is amended to read:

Subd. 7a. [SOFTENING FORMULA.] (1) Each district's adjusted total authorized predicted cost per weighted FTE determined for ~~the 1980-1981~~ each 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 20 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 40 percent of the next \$10; 60 percent of the next \$10; 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 20 percent of the first \$10 of difference between the adjusted predicted cost per weighted FTE and the actual expenditure per weighted FTE; plus 40 percent of the next \$10; plus 60 percent of the next \$10; plus 75 percent of the difference which exceeds \$30.

Sec. 9. Minnesota Statutes 1980, Section 124.225, Subdivision 8a, is amended to read:

Subd. 8a. [AID COMPUTATION.] A district's aid pursuant to this section for ~~the 1980-1981 school year and each school 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.

Sec. 10. Minnesota Statutes 1980, Section 124.225, Subdivision 8b, is

amended to read:

Subd. 8b. [EXCESS HANDICAPPED AID.] (a) In addition to the amount authorized in subdivision 8a, for ~~the 1980-1981~~ *each* school year, the state shall pay aid for the excess costs of providing transportation for handicapped students as provided in this subdivision to a district where:

- (1) the average daily membership in that year is 2,500 or fewer pupils,
- (2) the total actual authorized expenditures exceed the aid entitlement, and
- (3) the actual authorized expenditure per weighted FTE in the handicapped and board and lodging categories exceeds 140 percent of the aid entitlement per weighted handicapped and board and lodging FTE.

(b) This aid shall equal 80 percent of the difference between:

(1) the *district's* actual authorized ~~expenditure per weighted~~ *expenditures for transporting* handicapped and board and lodging ~~FTE FTE's~~ and

(2) 140 percent of the *district's* aid entitlement ~~per weighted~~ *for transportation of* handicapped and board and lodging ~~FTE FTE's~~.

(3) For purposes of the computation of aid pursuant to this subdivision, the amounts of the actual authorized expenditure and the aid entitlement shall exclude amounts attributable to depreciation. Aid pursuant to this subdivision shall not exceed the difference between the district's total actual authorized expenditures and its total aid entitlement.

Sec. 11. Minnesota Statutes 1980, Section 124.225, Subdivision 9, is amended to read:

Subd. 9. [DISTRICT REPORTS.] 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, 1980, each district shall provide the department with the information for the 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 year, 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 the school year shall be based on these computations.~~

Sec. 12. Minnesota Statutes 1980, Section 124.225, Subdivision 11, is amended to read:

Subd. 11. [PAYMENT SCHEDULE THROUGH 1982.] Except as may be otherwise authorized by the commissioner to accommodate a flexible school year program, *for fiscal years through 1982*, 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. 13. Minnesota Statutes 1980, Section 124.225, is amended by adding a subdivision to read:

Subd. 11a. [PAYMENT SCHEDULE.] Except as may be otherwise authorized by the commissioner to accommodate a flexible school year program, starting in fiscal year 1983, the state shall pay each school district its estimated school transportation aid entitlement for the fiscal year according to the following schedule: 30 percent by August 31; 30 percent by December 31; and 25 percent by March 31. The final aid distribution to each district shall be made by October 31 of the following fiscal year.

Sec. 14. [REPEALER.] Minnesota Statutes 1980, Section 124.225, Subdivisions 2, 4, 5, 7 and 8, are repealed.

Sec. 15. [APPROPRIATIONS.]

Subdivision 1. There is appropriated from the general fund to the department of education the sums indicated in this section for the fiscal years ending June 30 in the years designated.

Subd. 2. [TRANSPORTATION AID.] For transportation aid there is appropriated:

\$121,096,032.....1982,

\$126,068,514.....1983.

(a)(1) The appropriation for 1982 includes \$10,553,000 for aid for fiscal year 1981 payable in fiscal year 1982 and \$110,193,032 for aid for fiscal year 1982 payable in fiscal year 1982.

(2) The appropriation for 1983 includes \$12,243,448 for aid for fiscal year 1982 payable in fiscal year 1983 and \$113,475,066 for aid for fiscal year 1983 payable in fiscal year 1983.

(b)(1) The appropriation for fiscal year 1982 includes an amount not to exceed \$350,000, payable in fiscal year 1982, for excess handicapped aid for fiscal year 1981, pursuant to Minnesota Statutes 1980, Section 124.225, Subdivision 8b.

(2) The appropriation for fiscal year 1983 includes an amount not to exceed \$350,000, payable in fiscal year 1983, for excess handicapped aid for fiscal year 1982, pursuant to Minnesota Statutes 1980, Section 124.225, Subdivision 8b.

Subd. 3. [CANCELLATION.] Any unexpended balance remaining from the appropriation in this section for 1982 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 appropriation amount attributable to either year for any purposes indicated is insufficient, the aid for that year shall be prorated among all qualifying districts. The state shall not be obligated for any amounts in excess of the total appropriations in this section.

Sec. 16. [EFFECTIVE DATE.]

The amendment in section 2, clause (1), of this article is effective August 15, 1981.

ARTICLE III

SPECIAL EDUCATION

Section 1. Minnesota Statutes 1980, Section 120.03, is amended by adding a subdivision to read:

Subd. 5. A child with a short-term or temporary physical or emotional illness or disability, as determined by the standards of the state board, is not a handicapped child.

Sec. 2. Minnesota Statutes 1980, Section 120.17, Subdivision 3b, is amended to read:

Subd. 3b. [PROCEDURES FOR DECISIONS.] Every district shall utilize at least the following procedures for decisions involving identification, assessment and educational placement of handicapped children:

(a) Parents and guardians shall receive prior written notice of: (1) any proposed formal educational assessment or proposed denial of a formal educational assessment of their child; (2) a proposed placement of their child in, transfer from or to, or denial of placement in a special education program; or (3) the proposed provision, addition, denial or removal of special education services for their child;

(b) The district shall not proceed with the initial formal assessment of a child, the initial placement of a child in a special education program or the initial provision of special education services for a child without the prior written consent of the child's parent or guardian; provided the refusal of a parent or guardian to provide this consent may be overridden by the decision in a hearing held pursuant to clause (d) at the district's initiative after at least one attempt to obtain this consent through a conciliation conference held pursuant to clause (c);

(c) Parents and guardians shall have an opportunity to meet with appropriate district staff in at least one conciliation conference if they object to any proposal of which they are notified pursuant to clause (a);

(d) Parents, guardians and the district shall have an opportunity to obtain an impartial due process hearing initiated and conducted in the school district where the child resides, if after at least one conciliation conference the parent or guardian continues to object to: (1) a proposed formal educational assessment or proposed denial of a formal educational assessment of their child; (2) the proposed placement of their child in, or transfer of their child to a special education program; (3) the proposed denial of placement of their child in a special education program or the transfer of their child from a special education program; (4) the proposed provision or addition of special education services for their child; or (5) the proposed denial or removal of special education services for their child. *At least five calendar days before the hearing, the objecting party shall provide the other party with a brief written statement of the objection and the reasons for the objection.*

The hearing shall take place before an impartial hearing officer mutually

agreed to by the school board and the parent or guardian. If the school board and the parent or guardian are unable to agree on a hearing officer, the school board shall request the commissioner to appoint a hearing officer. The hearing officer shall not be a school board member or employee of the school district where the child resides or of the child's school district of residence, an employee of any other public agency involved in the education or care of the child, or any person with a personal or professional interest which would conflict with his objectivity at the hearing. A person who otherwise qualifies as a hearing officer is not an employee of the district solely because the person is paid by the district to serve as a hearing officer. If the hearing officer requests an independent educational assessment of a child, the cost of the assessment shall be at district expense. The proceedings shall be recorded and preserved, at the expense of the school district, pending ultimate disposition of the action.

(e) The decision of the hearing officer pursuant to clause (d) shall be rendered not more than 45 calendar days from the date of the receipt of the request for the hearing. A hearing officer may grant specific extensions of time beyond the 45 day period at the request of either party. The decision of the hearing officer shall be binding on all parties unless appealed to the commissioner by the parent, guardian, or the school board of the district where the child resides pursuant to clause (f).

The local decision shall:

- (1) be in writing;
 - (2) state the controlling facts upon which the decision is made in sufficient detail to apprise the parties and the commissioner of the basis and reason for the decision;
 - (3) state whether the special education program or special education services appropriate to the child's needs can be reasonably provided within the resources available to the responsible district or districts;
 - (4) state the amount and source of any additional district expenditure necessary to implement the decision; and
 - (5) be based on the standards set forth in subdivision 3a and the rules of the state board.
- (f) Any local decision issued pursuant to clauses (d) and (e) may be appealed to the commissioner within 15 calendar days of receipt of that written decision, by the parent, guardian, or the school board of the district where the child resides.

If the decision is appealed, a written transcript of the hearing shall be made by the school district and shall be accessible to the parties involved within five calendar days of the filing of the appeal. The commissioner shall issue a final decision based on an impartial review of the local decision and the entire record within 30 calendar days after the filing of the appeal. The commissioner shall seek additional evidence if necessary and may afford the parties an opportunity for written or oral argument; provided any hearing held to seek additional evidence shall be an impartial due process hearing but shall be deemed not to be a contested case hearing for purposes of chapter 15. The commissioner may grant specific extensions of time beyond the 30 day period at the request of any party.

The final decision shall:

- (1) be in writing;
- (2) include findings and conclusions; and

(3) be based upon the standards set forth in subdivision 3a and in the rules of the state board.

(g) The decision of the commissioner shall be final unless appealed by the parent or guardian or school board to the district court of the county in which the school district in whole or in part is located. The scope of judicial review shall be as provided in chapter 15.

(h) Pending the completion of proceedings pursuant to this subdivision, unless the district and the parent or guardian of the child agree otherwise, the child shall remain in his current educational placement and shall not be denied initial admission to school.

(i) The child's school district of residence, if different from the district where the child actually resides, shall receive notice of and may be a party to any hearings or appeals pursuant to this subdivision.

(j) This subdivision shall expire on June 30, 1981. The department of education shall report to the education committees of the legislature on or before January 1, 1981, on the impact of the amendments made in this subdivision by Laws 1979, Chapter 334 and on the advisability of amending this subdivision to read as it reads in Minnesota Statutes 1978.

Sec. 3. Minnesota Statutes 1980, Section 120.17, Subdivision 4, is amended to read:

Subd. 4. [SPECIAL INSTRUCTIONS FOR NON-RESIDENT CHILDREN.] When a school district provides instruction and services outside the district of residence, board and lodging, and any tuition to be paid, shall be paid by the district of residence. ~~Transportation costs shall be paid by the district providing the transportation, and the state shall reimburse the district within the limits provided by law.~~ The tuition rate to be charged for any handicapped child shall be the actual cost of providing special instruction and services to the child including a proportionate amount for capital outlay and debt service but not including any amount for transportation, minus the amount of special aid for handicapped children received on behalf of that child. If the boards involved do not agree upon the tuition rate, either board may apply to the commissioner to fix the rate. The commissioner shall then set a date for a hearing, giving each board at least ten days' notice, and after the hearing the commissioner shall make his order fixing the tuition rate, which shall be binding on both school districts.

When a district provides instruction and services in a day program outside the district of residence, the district of residence shall be responsible for providing transportation. When a district provides instruction and services requiring board and lodging or placement in a residential program outside the district of residence, the nonresident district in which the child is placed shall be responsible for providing transportation. Transportation costs shall be paid by the district responsible for providing transportation and the state shall pay transportation aid to that district.

For the purposes ~~herein~~ of this section, any school district may enter into an

agreement, upon ~~such~~ terms and conditions ~~as may be~~ which are mutually agreed upon, to provide special instruction and services for handicapped children. In that event, one of the participating units may employ and contract with necessary qualified personnel to offer services in the several districts; ~~and~~. Each participating unit shall reimburse the employing unit a proportionate amount of the actual cost of providing the special instruction and services, less the amount of state special education aid, which shall be claimed in full by the employing district.

Sec. 4. Minnesota Statutes 1980, Section 120.17, Subdivision 5a, is amended to read:

Subd. 5a. [SUMMER PROGRAMS.] ~~Every~~ A district may provide summer programs for handicapped children living within the district, ~~including and~~ nonresident children temporarily placed in the district pursuant to subdivisions 6 or 7. Prior to March 31 or 30 days after the handicapped child is placed in the district, whichever is later, the providing district shall give notice to the district of residence of any nonresident children temporarily placed in the district pursuant to subdivisions 6 or 7, of its intention to provide these programs. Notwithstanding any contrary provisions in subdivisions 6 and 7, the school district providing the special instruction and services shall apply for ~~all state aid for the summer program, including special state education aid pursuant to section 124.32, foundation aid and transportation aid for the summer program.~~ For the purposes of computing ~~foundation aid for these programs, all the summer school revenue allowance as provided in Article I, Section 17, pupils enrolled in these programs shall be construed to be residents of~~ counted by the district of residence and not by the district providing the programs. The unreimbursed actual cost of providing the program for nonresident handicapped children, ~~including the cost of board and lodging,~~ may be billed to the district of the child's residence and shall be paid by the resident district. ~~Transportation costs shall be paid by the district responsible for providing transportation pursuant to subdivision 6 or 7 and transportation aid shall be paid to that district.~~

Sec. 5. Minnesota Statutes 1980, Section 120.17, Subdivision 6, is amended to read:

Subd. 6. [PLACEMENT IN ANOTHER DISTRICT; RESPONSIBILITY.] The responsibility for special instruction and services for a handicapped child temporarily placed in another district for care and treatment shall be determined in the following manner:

(a) The school district of residence of ~~such~~ a child shall be the district in which his parent resides, if living, or his guardian, or the district designated by the commissioner of education if neither parent nor guardian is living within the state.

(b) When a child is temporarily placed for care and treatment in a day program located in another district and the child continues to live within the district of residence during the care and treatment, the district of residence is responsible for providing transportation and an appropriate educational program for the child. The district may provide the educational program at a school within the district of residence, at the child's residence, or in the district in which the day treatment center is located by paying tuition to that district.

~~(b)~~ (c) When a child is temporarily placed in a residential program for care

and treatment, the nonresident district in which the child is placed is responsible for providing the instruction ~~shall maintain transportation and an appropriate educational program for such a~~ the child and shall bill the district of the child's residence for the actual cost of providing the program, as outlined in subdivision 4, except that the board, lodging, and treatment costs incurred in behalf of a handicapped child placed outside of the school district of his residence by the commissioner of public welfare or the commissioner of corrections or their agents, for reasons other than for making provision for his special educational needs shall not become the responsibility of either the district providing the instruction or the district of the child's residence.

(e) (d) The district of residence shall pay tuition and other program costs, not including transportation costs, to the district providing the instruction and services. The district of residence may claim foundation aid for the child as provided by law. ~~Special Transportation costs shall be paid by the district responsible for providing the transportation and the state shall reimburse the pay transportation aid to that district for such costs within the limits provided by law.~~

Sec. 6. Minnesota Statutes 1980, Section 120.17, Subdivision 7, is amended to read:

Subd. 7. [PLACEMENT IN STATE INSTITUTION; RESPONSIBILITY.] Responsibility for special instruction and services for a handicapped child placed in a state institution on a temporary basis shall be determined in the following manner:

(a) The legal residence of such child shall be the school district in which his parent resides, if living, or his guardian;

(b) When the educational needs of such child can be met through the institutional program, the costs for such instruction shall be paid by the department to which the institution is assigned;

(c) When it is determined that such child can benefit from public school enrollment, provision for such instruction shall be made in the following manner:

(1) Determination of eligibility for special instruction and services shall be made by the commissioner of education and the commissioner of the department responsible for the institution;

(2) The school district where the institution is located shall ~~provide be responsible for providing transportation and~~ an appropriate educational program for the child and shall make a tuition charge to the child's district of residence for the actual cost of providing the program;

(3) The district of the child's residence shall pay the tuition and other program costs ~~including the unreimbursed~~ excluding transportation costs and may claim foundation aid for the child. ~~Special Transportation shall be provided by the district providing the education program costs shall be paid by the district where the institution is located and the state shall reimburse such pay transportation aid to that district within the limits provided by law.~~

Sec. 7. Minnesota Statutes 1980, Section 120.17, is amended by adding a subdivision to read:

Subd. 11. [TRANSPORTATION AID AGREEMENTS.] *Notwithstanding*

the provisions of subdivisions 4, 5a, and 6, when a child receives special instruction and services in a day program outside the resident district, the resident district and the nonresident district where the child is placed may enter into an agreement providing for the nonresident district to pay the cost of any particular transportation categories specified in section 124.225, subdivision 1, and claim transportation aid for those categories. In this case, the nonresident district may not obtain any payment from the resident district for the categories covered by the agreement.

Sec. 8. [120.172] [LEGISLATIVE COMMITMENT TO CONCILIATION.]

Subdivision 1. [POLICY STATEMENT.] *The legislature finds that conciliation conferences pursuant to section 120.17 serve better than formal hearings to promote communications between parents and school staff and to reach prompt, shared decisions about educational programs for handicapped children. Further, the legislature urges the United States department of education and the United States office of civil rights to acknowledge that the conciliation conference process violates no federal statute or regulation.*

Subd. 2. [STATE PLAN.] *The state board of education shall not adopt any provision in the state plan for special education which reduces the opportunities for parents and school districts to resolve their differences through conciliation.*

Subd. 3. [REPORT.] *The Minnesota commissioner of education shall report to the education committees of the legislature before January 1, 1983, on the effect of the procedures required in section 120.17, Subdivision 3b, and on any changes in federal statutes or regulations which would contribute to greater flexibility in the procedures for decisions about educational programs for handicapped children.*

Sec. 9. [121.201] [HEARING IMPAIRED EDUCATIONAL SUPPORT SERVICES.]

Subdivision 1. [RESPONSIBILITY OF BOARD.] *The state board of education shall coordinate and may pay for support services for hearing impaired persons to assure access to educational opportunities. Services may be provided to adult students who are hearing impaired and (a) have been denied access to educational opportunities because of the lack of support services or (b) are presently enrolled or (c) are contemplating enrollment in an educational program and would benefit from support services. The state board shall also be responsible for conducting inservice training for public and private agencies regarding the needs of hearing impaired persons in the adult education system.*

Subd. 2. [SUPPORT SERVICES.] *The state board may pay school districts or public or private community agencies for the following support services:*

(a) *Interpreter services to provide translation for an individual or a group of students; or*

(b) *Notetaker services to convert spoken language to written language when the student must maintain visual contact with other persons such as an interpreter or instructor.*

Subd. 3. [PROGRAMS INCLUDED.] *Support services may be provided*

for:

- (a) Local school district adult education programs;
- (b) Adult vocational school programs; and
- (c) Avocational education programs sponsored by public or private community agencies.

Sec. 10. [124.273] [LIMITED ENGLISH PROFICIENCY PROGRAMS AID.]

Subdivision 1. [TEACHERS SALARIES.] (a) For the 1981-1982 school year, the department shall pay a school district 70 percent of the salary, calculated from the date of hire, of one full time equivalent teacher for each 45 pupils of limited English proficiency enrolled in the district, or a pro rata amount thereof for increments of fewer than 45 pupils. Notwithstanding the foregoing, the department shall pay 70 percent of the salary, calculated from the date of hire, of one-half of a full time equivalent teacher to a district with 22 or fewer pupils of limited English proficiency enrolled.

(b) Beginning in the 1982-1983 school year, and each year thereafter, the department shall pay a school district 65 percent of the salary, calculated from the date of hire, of one full time equivalent teacher for each 45 pupils of limited English proficiency enrolled in the district, or a pro rata amount thereof for increments of fewer than 45 pupils. Notwithstanding the foregoing, the department shall pay 65 percent of the salary, calculated from the date of hire, of one-half of a full time equivalent teacher to a district with 22 or fewer pupils of limited English proficiency enrolled.

Subd. 2. [PROHIBITION.] (a) For the 1981-1982 school year, the department of education shall not pay a school district an amount exceeding 70 percent of the salaries paid to essential instructional personnel employed by the district in its educational program for pupils of limited English proficiency.

(b) Beginning in the 1982-1983 school year, and each year thereafter, the department of education shall not pay a school district an amount exceeding 65 percent of the salaries paid to essential instructional personnel employed by the district in its educational program for pupils of limited English proficiency.

Subd. 3. [PARTICIPATION OF NONPUBLIC SCHOOL PUPILS.] In counting the number of pupils of limited English proficiency for purposes of this section, districts may include pupils of limited English proficiency who attend nonpublic schools in the district. A district which counts those pupils and receives aid pursuant to this section shall offer those pupils the same programs on the same terms that it offers to pupils of limited English proficiency who attend the public school. A program provided for a nonpublic school pupil pursuant to this subdivision shall be provided at a public school or a neutral site as defined in section 123.932, subdivision 9. Nonpublic school pupils served by a district's educational program for pupils of limited English proficiency shall be counted for average daily membership pursuant to Article I, Section 26 of this act.

Subd. 4. [APPLICATION DATES.] (a) A district wishing to receive aid pursuant to this section shall submit an application by October 15, February 15, and June 15 of each year. Aid paid pursuant to this section shall be based on the number of pupils of limited English proficiency enrolled in the district at

the time the district submits its first application or the number of additional such pupils enrolled at the time subsequent applications are submitted.

(b) All applications shall be submitted to the department in the manner prescribed by the commissioner. Each application shall include (1) the number of pupils or additional pupils enrolled who meet the criteria in section 126.262, subdivision 2; (2) the number, dates of hire, full time equivalency, and salaries of essential licensed personnel or additional essential licensed personnel employed in the district's educational program for pupils of limited English proficiency who meet the criteria in section 126.262, subdivision 3; and (3) 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 may share essential instructional personnel employed in educational programs for pupils of limited English proficiency.

Subd. 5. [NOTIFICATION; AID PAYMENTS.] The department shall inform each applicant district of the amount of aid it will receive pursuant to this section within a month after the application deadline, and the department shall pay the aid within 15 days after notifying the district that it will receive aid. Beginning with the 1982-1983 school year, 85 percent of the aid shall be paid within 15 days after the aid notification and the remaining aid to each district shall be paid on or before October 31 of the following school year.

Subd. 6. [RECORDS; AUDIT.] A district which applies for aid pursuant to this section shall maintain records which support the information contained in all of its applications. The commissioner of education may audit these records upon request. A district which receives aid pursuant to this section shall keep such additional records in the manner prescribed by the commissioner to ensure that an educational program for pupils of limited English proficiency is implemented and operated in accordance with sections 126.261 to 126.269.

Subd. 7. [MONEY FROM OTHER SOURCES.] A school district providing a program for pupils of limited English proficiency shall be eligible to receive moneys for these programs from other government agencies and from private sources when these moneys are available.

Sec. 11. Minnesota Statutes 1980, Section 124.32, Subdivision 1, is amended to read:

Subdivision 1. (a) For the 1981-1982 and 1982-1983 school years, the state shall pay to any district for the employment in its educational program for handicapped children the greater of:

(1) (a) 69 percent of the salary of essential personnel, but this amount shall not exceed \$12,000 for the normal school year for each full time person employed, or a pro rata amount for a part time person or a person employed for a limited time, whether the essential personnel are employed by a district alone or jointly with another district; plus

(b) five percent of the salaries of essential personnel employed in its educational program for handicapped children; for the purpose of recognizing additional support costs of educational programs for handicapped children; or

(2) 70 65 percent of the salary of essential personnel for the normal school year for each full time person employed, or a pro rata amount for a part time person or a person employed for a limited time, whether the essential personnel

are employed by a district alone or jointly with another district.

~~(3) A district shall receive aid pursuant to only one clause of clauses (1) and (2) for a school year.~~

(b) Beginning in the 1983-1984 school year and in each year thereafter, the state shall pay to any district for the employment in its educational program for handicapped children 70 percent of the salary of essential personnel for the normal school year for each full time person employed, or a pro rata amount for a part time person or a person employed for a limited time, whether the essential personnel are employed by a district alone or jointly with another district.

Sec. 12. Minnesota Statutes 1980, Section 124.32, Subdivision 1a, is amended to read:

Subd. 1a. [FOUNDATION AID FORMULA ALLOWANCE.] For purposes of this section, the "foundation aid formula allowance" per pupil unit shall be ~~\$1,182 for the 1979-1980 school year, and \$1,265 for the 1980-1981 school year~~ have the meaning attributed to it in Article I, Section 21, Subdivision 1 of this act, and "summer school revenue allowance" shall have the meaning attributed to it in Article I, Section 17 of this act. For the purposes of computing foundation aid formula allowances pursuant to this section, each handicapped child shall be counted as prescribed in section 124.17, subdivision 1, clause (1) or (2).

Sec. 13. Minnesota Statutes 1980, Section 124.32, Subdivision 1b, is amended to read:

Subd. 1b. [CONTRACT SERVICES.] (1) For special instruction or training and services provided for any pupil pursuant to section 120.17, subdivision 2, clause (h), by contract with public, private or voluntary agencies other than Minnesota school districts, the state shall pay each district 60 percent of the difference between the amount of the contract and the foundation aid formula allowance of the district for that pupil or a pro rata portion of the foundation aid formula allowance for pupils who receive services by contract on less than a full time basis.

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

Sec. 14. Minnesota Statutes 1980, Section 124.32, Subdivision 5, is amended to read:

Subd. 5. When a handicapped child is placed in a residential facility approved by the commissioner and established primarily to serve handicapped children and when the child's educational program is approved by the commissioner, the state shall pay aid to the resident district *under the provisions of this subdivision. For the regular school year, the aid shall be an amount not to exceed 60 percent of the difference between the instructional costs charged to*

the resident district and the foundation aid formula allowance ~~in the resident district~~, for each handicapped child placed in a residential facility. *For summer school programs, the aid for each handicapped child placed in a residential facility shall be an amount not to exceed 60 percent of the difference between the instructional costs charged to the resident district and the summer school revenue allowance in the resident district attributable to that child.* No aid shall be paid pursuant to this subdivision for tuition charged a resident district pursuant to section 120.17, subdivision 7a, for a child placed at the Minnesota school for the deaf or the Minnesota braille and sight-saving school.

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

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

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

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

Sec. 15. Minnesota Statutes 1980, Section 124.32, Subdivision 6, is amended to read:

Subd. 6. [FULL STATE PAYMENT.] The state shall pay each district the actual cost incurred in providing instruction and services for a handicapped child whose district of residence has been determined by section 120.17, subdivision 8a, and who is temporarily placed in a state institution or a licensed residential facility for care and treatment. This section does not apply for a child placed in a foster home or a foster group home.

Upon following ~~such the procedure as requested~~ specified by the commissioner of education ~~a, the district providing instruction and services for such handicapped child~~ may bill the state the actual cost incurred in providing ~~said the services~~ including transportation costs and a proportionate amount of capital outlay and debt service, minus the amount of the foundation aid formula allowance for the child and the special education aid, transportation aid, and any other aid earned in behalf of ~~such the child; such action pursuant to limits~~. The limit set forth in subdivision 4 shall apply to aid paid pursuant to this subdivision.

To the extent possible, the commissioner shall obtain reimbursement from another state for the cost of serving any child whose parent or guardian resides in that state. The commissioner may contract with the appropriate authorities of other states to effect reimbursement. All money received from other states shall be paid to the state treasury and placed in the general fund.

Sec. 16. Minnesota Statutes 1980, Section 124.32, Subdivision 9, is amended to read:

Subd. 9. Except as may be otherwise authorized by the commissioner to accommodate a flexible school year program, *for school years through 1981-1982*, the state shall pay to each school district 30 percent of its estimated special education aid for the school year on or before each of the following dates: September 30, December 31 and March 31. The final aid distribution to the district shall be made on or before October 31 of the following year.

Sec. 17. Minnesota Statutes 1980, Section 124.32, is amended by adding a subdivision to read:

Subd. 9a. [PAYMENT SCHEDULE.] Except as may be otherwise authorized by the commissioner to accommodate a flexible school year program, starting in school year 1982-1983, the state shall pay each school district its estimated special education aid for the school year according to the following schedule: 30 percent by August 31; 30 percent by December 31; and 25 percent by March 31. The final aid distribution to each district shall be made by October 31 of the following school year.

Sec. 18. Minnesota Statutes 1980, Section 126.262, Subdivision 8, is amended to read:

Subd. 8. "Educational program for pupils of limited English proficient students proficiency" means an English as a second language program, bilingual education program, or both an English as a second language and a bilingual education program.

Sec. 19. Minnesota Statutes 1980, Section 126.54, Subdivision 1, is amended to read:

Subdivision 1. [GRANTS; PROCEDURES.] For fiscal year 1984 years 1982 and 1983, 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 a 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 non-sectarian 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. 20. [REPEALER.]

Minnesota Statutes 1980, Sections 120.17, Subdivision 3c; 126.263; 126.268, Subdivision 1; and 126.52, Subdivision 12, are repealed.

Sec. 21. [APPROPRIATIONS.]

Subdivision 1. There is appropriated from the general fund to the department of education the sums indicated in this section for the fiscal years ending June 30 in the years designated.

Subd. 2. [SPECIAL EDUCATION AID.] For special education aid, there is appropriated:

\$95,602,130. . . . 1982,

\$98,719,770. . . . 1983.

The appropriation for 1982 includes \$8,670,700 for aid for fiscal year 1981 payable in fiscal year 1982, and \$86,931,430 for aid for fiscal year 1982

payable in fiscal year 1982.

The appropriation for 1983 includes \$9,659,050 for aid for fiscal year 1982 payable in fiscal year 1983 and \$89,060,720 for aid for fiscal year 1983 payable in fiscal year 1983.

Subd. 3. [SUMMER SCHOOL SPECIAL EDUCATION AID.] For special education aid for summer school programs there is appropriated:

\$4,500,000. . . . 1982,

\$4,887,000. . . . 1983.

Subd. 4. [RESIDENTIAL FACILITIES AID.] For aid pursuant to section 124.32, subdivision 5, there is appropriated:

\$ 578,000. . . . 1982,

\$ 630,600. . . . 1983.

Subd. 5. [LIMITED ENGLISH PROFICIENCY PUPILS PROGRAM AID.] For aid to educational programs for pupils of limited English proficiency there is appropriated:

\$3,025,200. . . . 1982,

\$3,354,880. . . . 1983.

Subd. 6. [AMERICAN INDIAN LANGUAGE AND CULTURE PROGRAM AID.] For grants to American Indian language and culture education programs pursuant to section 126.54, subdivision 1, there is appropriated:

\$ 525,000. . . . 1982,

\$ 446,250. . . . 1983.

The appropriation for 1982 is 100 percent of grant aid for fiscal year 1982, payable in fiscal year 1982.

The appropriation for 1983 is 85 percent of grant aid for fiscal year 1983, payable in fiscal year 1983.

Subd. 7. [HEARING IMPAIRED SUPPORT SERVICES AID.] For payment of support services for hearing impaired persons pursuant to section 9 of this article, there is appropriated:

\$ 30,000. . . . 1982,

\$ 40,000. . . . 1983.

Subd. 8. [CANCELLATION.] Any unexpended balances remaining from the appropriations in this section for 1982 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.

Subd. 9. [PRORATION.] If the appropriation amount in subdivisions 2, 3, 4, or 5 of this section attributable to either year for the purpose indicated is insufficient, the aid for that year shall be prorated among all qualifying districts and the state shall not be obligated for any amount in excess of the appropriations in this section for these purposes.

Sec. 22. [EFFECTIVE DATE.]

Sections 2, 4, 8, 13, and 14 of this article are effective the day following final enactment.

ARTICLE IV

COMMUNITY AND ADULT EDUCATION

Section 1. Minnesota Statutes 1980, Section 124.26, Subdivision 1, is amended to read:

Subdivision 1. For evening schools and continuing education programs for adults established for persons over 16 years of age and not in attendance upon regular day schools, the state shall compensate any district maintaining such programs in accordance with requirements established by the state board from funds appropriated for that purpose, or such funds combined with federal funds insofar as federal funds are available. The state shall pay these aids on a current funding basis. The portion of such compensation from state appropriation shall be 90 percent of the compensation paid each teacher for his services in such programs up to \$8,000 per year based on the costs in that current year. All classes shall be tuition free when taught by teachers subsidized under this section and there shall be no charge for registration, materials and supplies, ~~or G.E.D. tests~~. Evening school and continuing education programs are defined as those public day or evening school programs which are established for persons over 16 years of age not in attendance at the full time elementary or secondary schools and which qualify such persons for the high school diploma, the high school equivalency certificate or for academic achievement at the secondary level.

Sec. 2. Minnesota Statutes 1980, Section 124.26, Subdivision 4, is amended to read:

Subd. 4. [PAYMENT SCHEDULE THROUGH 1982.] *For fiscal years through 1982, the state shall pay to each school district 30 percent of its estimated adult education 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 by October 31 of the following fiscal year.*

Sec. 3. Minnesota Statutes 1980, Section 124.26, is amended by adding a subdivision to read:

Subd. 5. [PAYMENT SCHEDULE.] *Starting in fiscal year 1983, the state shall pay to each school district its estimated adult education aid entitlement according to the following schedule: 30 percent by August 31; 30 percent by December 31; and 25 percent by March 31. The final aid distribution to each district shall be made by October 31 of the following fiscal year.*

Sec. 4. Minnesota Statutes 1980, Section 124.26, is amended by adding a subdivision to read:

Subd. 6. [APPLICATIONS; PRORATION.] *By August 1 of each fiscal year, the commissioner shall approve or disapprove all applications for funding for that year pursuant to subdivision 1 that were received by the preceding June 1, and shall notify the applicant districts of the decision. In any fiscal year when the total amount requested by districts for approved programs exceeds the amount appropriated, the commissioner shall, to the extent possible, fully fund the programs which were approved by August 1, and shall prorate any*

remaining funds among programs which are approved after August 1.

Sec. 5. Minnesota Statutes 1980, Section 124.271, Subdivision 2, is amended to read:

Subd. 2. ~~In fiscal year 1981 and each year thereafter, In fiscal years 1982 and 1983~~ the state shall pay the greater of 75 65 cents per capita or \$7,000 \$6,100 to each school district which is operating a community education program in compliance with the rules promulgated by the state board and which has levied at least the lesser of \$1 per capita or \$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. 6. Minnesota Statutes 1980, Section 124.271, is amended by adding a subdivision to read:

Subd. 2a. Beginning in fiscal year 1984, each district which is operating a community education program in compliance with the rules promulgated by the state board and which has levied pursuant to section 275.125, subdivision 8, shall receive in state aid the greater of the following:

(a) \$5 per capita minus the amount raised by .9 mill times the adjusted assessed valuation used to compute the community education levy limitation for the levy attributable to that school year; or

(b) 75 cents per capita; or

(c) \$7,000.

However the amount of aid shall not exceed the amount certified pursuant to section 275.125, subdivision 8. For purposes of computing the aid limitation pursuant to this subdivision, the amount certified pursuant to section 275.125, subdivision 8, shall not reflect reductions pursuant to section 275.125, subdivision 9.

Sec. 7. Minnesota Statutes 1980, Section 124.271, Subdivision 4, is amended to read:

Subd. 4. Each district providing community education programs pursuant to sections 121.85 to 121.88 shall establish and maintain accounts separate from all other district accounts for the receipt and disbursement of all funds related to these community education programs. All funds received pursuant to this section and to the levy authorized in section 275.125, subdivision 8, shall be utilized solely for the purposes of community education programs. *These funds may be used to reimburse G.E.D. testing centers for each battery of G.E.D. tests or each individual test administered by that center.*

Sec. 8. Minnesota Statutes 1980, Section 124.271, Subdivision 5, is amended to read:

Subd. 5. [PAYMENT SCHEDULE THROUGH 1982.] All community education programs program aid shall be distributed by the state aids, statistics and research section of the state department of education. *For fiscal years through 1982 aid shall be distributed prior to November 1 each year.*

Sec. 9. Minnesota Statutes 1980, Section 124.271, is amended by adding a subdivision to read:

Subd. 6. [PAYMENT SCHEDULE.] Starting in fiscal year 1983, the state

shall pay to each school district 85 percent of its community education program aid for the current fiscal year by November 1. The final aid distribution to each district shall be made by November 1 of the following fiscal year.

Sec. 10. Minnesota Statutes 1980, Section 275.125, Subdivision 8, is amended to read:

Subd. 8. (1) *In 1981 a district which has established a community education advisory council pursuant to section 121.88, may levy an amount of money raised by the greater of (A) ~~\$2.50~~ \$3.40 per capita, or (B) 110 percent of the amount certified pursuant to this subdivision in ~~1976~~ 1980. 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~~ 1980 shall not reflect reductions pursuant to subdivision 9.*

(2) Except as provided in clauses (3) and (4), in 1982, and each year thereafter, a district which has established a community education advisory council pursuant to section 121.88, may levy the amount raised by .9 mill times the most recent adjusted assessed valuation of the district, but no more than \$5 times the population of the district. This amount shall be reduced to \$4.25 per capita for districts which will qualify for aid in fiscal year 1984 equal to 75 cents per capita pursuant to section 124.271, subdivision 2a, clause (b).

(3) Districts which received total revenue in fiscal year 1983 from community education aid and levy in excess of \$5 times the population of the district, may levy the amount of the fiscal year 1983 revenue less \$5 times the population of the district in addition to the amount in clause (2).

(4) Districts which will qualify for aid pursuant to section 124.271, subdivision 2a, clause (c) may levy the amount of their fiscal year 1983 revenue from community education aid and levy minus \$7,000.

(2) (5) A school district ~~shall be authorized to make a~~ may 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) (6) 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. 11. [REPEALER.]

Minnesota Statutes 1980, Sections 124.26, Subdivision 3, and 124.271, Subdivision 1a, are repealed.

Sec. 12. [APPROPRIATIONS.]

Subdivision 1. There is appropriated from the general fund to the depart-

ment of education the sums indicated in this section for the fiscal years ending June 30 in the years designated.

Subd. 2. [ADULT EDUCATION AID.] For adult education aid pursuant to section 124.26, there is appropriated:

\$1,128,200.....1982,
\$1,242,400.....1983.

The amount appropriated for fiscal year 1982 includes \$97,800 for aid for fiscal year 1981 payable in fiscal year 1982, and \$1,030,400 for aid for fiscal year 1982 payable in fiscal year 1982.

The amount appropriated for fiscal year 1983 includes \$114,500 for aid for fiscal year 1982 payable in fiscal year 1983, and \$1,127,900 for aid for fiscal year 1983 payable in fiscal year 1983.

Subd. 3. [COMMUNITY EDUCATION AID.] For community education aid, there is appropriated:

\$3,530,000.....1982,
\$3,200,000.....1983.

Subd. 4. [CANCELLATION AND PRORATION.] Any unexpended balance remaining from the appropriations in this section for 1982 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 appropriation amount attributable to either year for the purpose indicated is insufficient, the aid for that year shall be prorated among all qualifying districts, and the state shall not be obligated for any amount in excess of the appropriations in this section for these purposes.

ARTICLE V

VOCATIONAL AID

Section 1. Minnesota Statutes 1980, Section 121.902, is amended by adding a subdivision to read:

Subd. 1a. By July 1, 1982, the council shall recommend to the state board uniform property accounting and reporting standards for area vocational-technical institutes. The state board shall adopt and maintain uniform property accounting and reporting standards for area vocational-technical institutes to account and report individual property records for fixed assets. These standards shall include provisions for date of acquisition, historical cost, depreciated value, expected useful life, and replacement cost.

Sec. 2. Minnesota Statutes 1980, Section 121.931, Subdivision 6, is amended to read:

Subd. 6. [DATA STANDARDS.] The state board shall adopt rules containing standards for financial, property, student and ~~payroll/personnel~~ personnel/payroll data and any other data included in ESV-IS. For financial data, the uniform financial accounting and reporting standards adopted pursuant to section 121.902, subdivision 1, shall satisfy the requirement of this subdivision. For property data, the uniform property accounting and reporting standards adopted pursuant to section 1 of this article shall satisfy the requirement of this subdivision. The state board shall consider the recommendations of the advi-

sory task forces on uniform data standards for student reporting and ~~payroll/personnel~~ ~~personnel/payroll~~ reporting and the ESV computer council in adopting the standards for student data and ~~payroll/personnel~~ ~~personnel/payroll~~ data. The state board shall ensure that the standards for different types of data are consistent with each other, and for this purpose shall consider the recommendations of the advisory task forces on uniform data standards for student reporting and personnel/payroll reporting, the advisory council on uniform financial accounting and reporting standards, and the ESV computer council. The data standards for each type of data shall include:

- (a) A standard set of naming conventions for data elements;
- (b) A standard set of data element definitions; and
- (c) A standard transaction processing methodology which uses the defined data elements, specifies mathematical computations on those data elements and specifies output formats.

The state board, with the advice and assistance of the ESV computer council, shall monitor and enforce compliance with the data standards.

Sec. 3. Minnesota Statutes 1980, Section 121.934, Subdivision 7, is amended to read:

Subd. 7. [ADVISORY DUTIES.] (a) Pursuant to section 121.931, the ESV computer council shall advise and assist the state board in:

- (1) the development of the long range plan and the systems architecture plan;
- (2) the development of applications software for ESV-IS and SDE-IS;
- (3) the approval of the creation and alteration of regional management information centers;
- (4) the approval of the use by districts of alternative management information systems;
- (5) the statewide applicability of alternative management information systems proposed by districts; and
- (6) the approval of annual and biennial plans and budgets of regional management information centers; and
- (7) the monitoring and enforcement of compliance with data standards.

(b) The council shall also review the data standards recommended by the council on uniform financial accounting and reporting standards and the advisory task forces on uniform standards for student reporting and personnel/payroll reporting and make recommendations to the state board concerning:

- (1) the consistency of the standards for finance, *property*, student and personnel/payroll data with one another;
- (2) the implications of the standards for implementation of ESV-IS and SDE-IS; and
- (3) the consistency of the standards with the systems architecture plan and the long-range plan.

(c) Pursuant to section 121.932, the council shall advise the department in the development and operation of SDE-IS.

Sec. 4. Minnesota Statutes 1980, Section 121.935, Subdivision 2, is amended to read:

Subd. 2. [DUTIES.] Every regional management information center shall:

(a) Assist its affiliated districts in complying with the reporting requirements of the annual data acquisition calendar and the rules of the state board of education;

(b) Respond within 15 calendar days to requests from the department for information based on the data elements in the data element dictionary;

(c) Operate financial management information systems consistent with the uniform financial accounting and reporting standards for Minnesota school districts adopted by the state board pursuant to sections 121.90 to ~~121.92~~ 121.917;

(d) Make available to districts the opportunity to participate fully in all the subsystems of ESV-IS;

(e) Before July 1, 1981, develop a plan for the provision of services during a system failure or a disaster;

(f) ~~Beginning in 1981,~~ Comply with the requirement in section 121.908, subdivision 2, on behalf of districts affiliated with it; and

(g) *Operate fixed assets property management information systems consistent with the uniform property accounting and reporting standards for Minnesota area vocational-technical institutes adopted by the state board pursuant to section 1 of this article.*

Sec. 5. Minnesota Statutes 1980, Section 121.935, Subdivision 6, is amended to read:

Subd. 6. [FEES.] Regional management information centers may charge fees to affiliated districts. A district which submits financial transactions to the center in summary form pursuant to section 121.936, subdivision 1, or which uses an approved alternative ~~financial~~ management information system pursuant to section 121.936, subdivisions 2 to 4, may apply to the commissioner to set the fee if the district and the center cannot agree on a fee. The commissioner shall issue an order setting the fee, which shall be binding on both the center and the district.

Sec. 6. Minnesota Statutes 1980, Section 121.936, is amended by adding a subdivision to read:

Subd. 1a. [MANDATORY AVTI PARTICIPATION.] (a) By July 1, 1983, every area vocational-technical institute shall perform property accounting and reporting operations on a fixed assets property management accounting and reporting system utilizing fixed assets categories defined in accordance with the uniform property accounting and reporting standards adopted by the state board pursuant to section 1 of this article.

(b) Every area vocational-technical institute shall use the ESV-IS fixed assets property subsystem through the regional management information center to perform property accounting and reporting operations required by clause (a), and to provide data to the center pursuant to the data acquisition calendar.

Sec. 7. Minnesota Statutes 1980, Section 121.936, Subdivision 2, is amended to read:

Subd. 2. [ALTERNATIVE FINANCIAL MANAGEMENT INFORMATION SYSTEMS.] After July 1, 1980 a district may be exempted from the requirement in subdivision 1, clause (b) (2), if it receives the approval of the state board to use an alternative financial management information system. A district permitted before July 1, 1980, to submit its financial transactions in summary form to a regional management information center pursuant to subdivision 1 may continue to submit transactions in the approved form without obtaining the approval of the state board pursuant to this subdivision. *A district may be exempted from the requirement in section 6, clause (b) of this article if it receives the approval of the state board to use an alternative fixed assets property management information system.* Any district desiring to use an alternative management information system shall submit a detailed proposal to the state board, the ESV computer council and the regional management information center with which it is affiliated. The detailed proposal shall include a statement of all costs to the district, regional management information center or state for software development or operational services needed to provide data to the regional management information center pursuant to the data acquisition calendar.

Sec. 8. Minnesota Statutes 1980, Section 121.936, Subdivision 3, is amended to read:

Subd. 3. [ALTERNATIVE FINANCIAL MANAGEMENT INFORMATION SYSTEMS; EVALUATION.] The regional management information center shall evaluate the district proposal according to the approval criteria in section 121.937, subdivision 1. The regional management information center shall submit its evaluation of the district proposal to the state board and the ESV computer council for their consideration in evaluating the proposal.

The ESV computer council shall evaluate the district proposal ~~for cost effectiveness and conformance to the systems architecture plan, the long range plan, and the uniform financial accounting and reporting standards adopted by the state board pursuant to sections 121.90 to 121.92 according to the approval criteria in section 121.937, subdivision 1, clauses (a), (b), and (d).~~ Upon completion of the evaluation, the ESV computer council shall recommend to the state board that it (a) approve the proposal, (b) disapprove the proposal, or (c) approve the proposal if it is modified by the district in ways which are specified by the council.

Sec. 9. Minnesota Statutes 1980, Section 121.937, Subdivision 1, is amended to read:

Subdivision 1. The criteria adopted by the state board for approval of the creation of a regional management information center, the transfer of a school district's affiliation from one regional management information center to another, and the approval of an alternative management information system shall include:

(a) The provisions of the plans adopted by the state board pursuant to section 121.931, subdivisions 3 and 4;

(b) The cost effectiveness of the proposed center, transfer or alternative;

(c) The effect of the proposed center, transfer or alternative on existing

regional management information centers; and

(d) Whichever of the following is applicable:

(i) The ability of a proposed center to comply with section 121.935, or the effect of a transfer on a center's ability to comply with section 121.935, or

(ii) The ability of a proposed alternative financial management information system to comply with section 121.936, subdivision 1, clauses (a) and (b) (1), or

(iii) The ability of a proposed alternative fixed assets property management information system to comply with section 121.936, subdivision 1, clause (b) (1), and section 6, clause (a) of this article.

Sec. 10. Minnesota Statutes 1980, Section 121.938, Subdivision 2, is amended to read:

Subd. 2. Each task force shall report to the legislature, by January 1 September 1, 1981, recommendations for broad policy standards for school district reporting of student data or payroll/personnel personnel/payroll data. Each task force shall recommend to the ESV computer council and the state board specific data standards for student data or personnel/payroll data. These data standards shall be consistent with the uniform financial accounting and reporting standards and the uniform property accounting and reporting standards adopted by the state board pursuant to sections 121.90 to 121.92 121.917.

Sec. 11. Minnesota Statutes 1980, Section 124.11, Subdivision 2a, is amended to read:

Subd. 2a. (a) Through the 1981-1982 school year, 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 September final payment in each year thereafter shall be adjusted to reflect the actual average daily membership for the previous fiscal year. Beginning with the 1980-1981 school year, 90 percent of The estimated post-secondary vocational instructional aid payments shall be paid on the basis of the department of education's estimates of the current year's average daily membership adjusted for the latest available information in September, December, March and June November, February and May to reflect any increases or decreases in enrollment. The ten percent final payment, adjusted to reflect the actual average daily membership, shall be made to each district in September of the following fiscal year.

(b) Beginning in the 1982-1983 school year, eighty-five 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. The estimated aid payments shall be paid on the basis of the department of education's estimates of the current year's average daily membership adjusted for the latest available information in November, February and May. The 15 percent final

payment, adjusted to reflect the actual average daily membership, shall be made to each district in September of the following fiscal year.

Sec. 12. Minnesota Statutes 1980, Section 124.11, Subdivision 2b, is amended to read:

Subd. 2b. *(a) Through the 1981-1982 school year, post-secondary vocational supply aid and support services aid shall be paid to districts in equal installments on or before August 1, November 1, February 1, and May 1 of each year. Eighty percent of post-secondary vocational ~~capital expenditure equipment aid and repair and betterment~~ aid shall be paid to districts on or before August 1 of each year. The remaining 20 percent of post-secondary vocational ~~capital expenditure equipment aid and repair and betterment~~ aid shall be paid to districts on or before May 1 of each year.*

(b) Beginning in the 1982-1983 school year, the state shall pay to districts 25 percent of post-secondary vocational supply aid and support services aid by August 1, 20 percent by November 1, 20 percent by February 1, and 20 percent by May 1 of each school year. Eighty-five percent of post-secondary vocational equipment aid and repair and betterment aid shall be paid to districts by August 1 of each year. The 15 percent final aid distribution shall be paid to districts by October 31 of the following school year.

Sec. 13. Minnesota Statutes 1980, Section 124.11, Subdivision 2c, is amended to read:

Subd. 2c. Additional post-secondary vocational supply aid, support services aid ~~and capital expenditure, equipment aid, and repair and betterment~~ 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. 14. Minnesota Statutes 1980, Section 124.561, Subdivision 2a, is amended to read:

Subd. 2a. [BUDGETS; ALLOCATIONS.] Before ~~January 1, 1980 and~~ January 1 of each year ~~thereafter~~, each post-secondary vocational technical school shall submit to the state board for vocational education budgets for supplies, support services, ~~and capital expenditures equipment, and repair and betterment~~ for the following fiscal year as prescribed in sections 124.5622, 124.5623, ~~and~~ 124.5624, ~~and section 30 of this article~~. The state board for vocational education shall authorize the allocations of post-secondary vocational supply aid, support services aid, ~~and capital expenditure equipment aid, and repair and betterment~~ aid for each district prior to June 1 of each year after a consolidated public hearing held pursuant to subdivision 3a. No district shall increase its operating deficit for post-secondary vocational education during any fiscal year. The state board for vocational education shall promulgate rules which establish the criteria for allocations of post-secondary vocational supply aid, support services aid, ~~and capital expenditure equipment aid, and repair and betterment~~ aid. ~~By October 15, 1979,~~ The commissioner, in cooperation with the department of finance, shall establish standards by which post-secondary vocational-technical schools shall submit separate financial requests for post-secondary vocational supply aid, support services aid, ~~and capital expenditure equipment aid, and repair and betterment~~ aid.

Sec. 15. Minnesota Statutes 1980, Section 124.561 is amended by adding a

subdivision to read:

Subd. 2b. [COMPONENT ACTIVITIES.] For the purposes of post-secondary vocational aid allocations "component activities" shall include: regular instruction; related instruction; special needs instruction; research; instructional administration; media/library; pupil personnel services; health services; director's office; institutional services; fixed costs; work study; physical plant; and repair and betterment.

Sec. 16. Minnesota Statutes 1980, Section 124.561, Subdivision 3a, is amended to read:

Subd. 3a. [HEARING.] The consolidated public hearing held by the state board pursuant to subdivision 2a shall take place with at least six board members present and shall continue until all interested persons, representatives, and organizations have had an opportunity to be heard. ~~In 1980 and~~ Each year thereafter the state board shall authorize the allocations of post-secondary vocational supply aid, support services aid ~~and capital expenditure, equipment aid, and repair and betterment~~ aid for the following fiscal year at this hearing. Notice of intention to hold the hearing shall be given at least 20 days prior to the date set for the hearing by United States mail to each district submitting a post-secondary vocational school budget, to other interested persons, representatives, and organizations who register their names with the commissioner of education for that purpose, and in the state register. The department of education shall make available at least one free copy of the proposed allocations of aids to the education committees of the legislature and to any person requesting it. Unless the commissioner determines that the use of an audio magnetic recording device is more appropriate, a court reporter shall keep a record at every hearing. A transcript of the hearing record shall be made available upon the request of any person, provided that the request is in writing and the cost of preparing the transcript is borne by the requesting person. After allowing written material to be submitted and added to the hearing record for five days after the public hearing ends, the commissioner of education shall proceed as promptly as possible to write a report containing the final proposed allocations of aids. This report shall contain findings and conclusions based on substantial evidence from the hearing record to support the final proposed allocations. The report shall be available to all affected school districts upon request for at least 15 days before the state board takes final action allocating aids. Any district which is adversely affected by the final proposed allocations of aids may demand and shall be given an opportunity to be heard in support of modification of the proposed allocations of aids at the meeting at which the state board takes final action allocating aids; provided, the state board may place reasonable restrictions on the length of time allowed for testimony.

Sec. 17. Minnesota Statutes 1980, Section 124.561, is amended by adding a subdivision to read:

Subd. 5. [DISTRIBUTION OF MONEYS.] All moneys, 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 section of the state department of education. State board approval shall not be required for the adjustment of average daily

membership, pursuant to section 124.11, subdivision 2a.

Sec. 18. Minnesota Statutes 1980, Section 124.561, is amended by adding a subdivision to read:

Subd. 6. [ACCOUNTING.] Each district providing post-secondary vocational-technical education programs shall establish and maintain, in accordance with section 121.908, separate revenue, expenditure, asset and liability accounts related to these post-secondary vocational-technical education programs within funds separate from all other district funds. All post-secondary vocational aids and all tuition authorized by section 124.565 shall be utilized solely for the purposes of post-secondary vocational-technical education programs.

Sec. 19. Minnesota Statutes 1980, Section 124.5621, Subdivision 2, is amended to read:

Subd. 2. "Post-secondary vocational instructional aid" means state funds exclusive of post-secondary vocational ~~capital expenditure~~ *equipment aid, repair and betterment aid*, supply aid, support services aid and debt service aid paid by the state board for vocational education to local school districts for instructional programs. Post-secondary vocational instructional aid shall be utilized solely for the purposes of post-secondary vocational education and shall not be utilized for equipment or other capital expenditures.

Sec. 20. Minnesota Statutes 1980, Section 124.5621, Subdivision 5, is amended to read:

Subd. 5. [INSTRUCTIONAL PROGRAM.] "Instructional program" means a post-secondary vocational-technical occupational program as classified with a six-digit number by the ~~federal office~~ *United States department of* education, excluding special needs programs and related instruction.

Sec. 21. Minnesota Statutes 1980, Section 124.5621, Subdivision 6, is amended to read:

Subd. 6. [INSTRUCTIONAL PROGRAM COSTS.] "Instructional program cost" means the actual expenditures in the base year for an instructional program at an AVTI. These actual expenditures shall be computed as follows:

- (1) instructional salaries; plus
- (2) instructional employee fringe benefits, excluding teachers' retirement and teachers' social security; plus
- (3) expenditures for instructional staff travel for instructional and professional development purposes; plus
- (4) expenditures for purchased services for instructional purposes; plus
- (5) *instructional* expenditures for student activities; plus
- (6) other instructional expenditures detailed according to the uniform financial accounting and reporting system, not including any expenditures for supplies and equipment; minus
- (7) other instructional revenues detailed according to the uniform financial accounting and reporting system, including student activity fees but not including any revenues from the sale of supplies and equipment.

These actual expenditures shall not include any expenditures or revenues which are included in the AVTI's budgets for post-secondary vocational supply aid, support services aid ~~or capital expenditure~~, *equipment aid, or repair and betterment aid.*

Sec. 22. Minnesota Statutes 1980, Section 124.5621, Subdivision 12, is amended to read:

Subd. 12. [INSTRUCTIONAL AID FORMULA.] ~~In the 1981 fiscal year and each fiscal year thereafter,~~ each district which operates an AVTI shall receive post-secondary vocational instructional aid computed according to the following formula:

(a) The instructional program allowance for that AVTI in the base year, multiplied by

(b) The AVTI staff compensation weighting for that AVTI, multiplied by

(c) ~~447~~ *119* percent, multiplied by

(d) The student growth or decline factor for that AVTI.

Sec. 23. Minnesota Statutes 1980, Section 124.5622, Subdivision 3, is amended to read:

Subd. 3. [POST-SECONDARY VOCATIONAL SUPPLY AID.] "Post-secondary vocational supply aid" means state funds, exclusive of post-secondary vocational ~~capital expenditure~~ *equipment aid, repair and betterment aid*, instructional aid, support services aid and debt service aid, apportioned by the state board for vocational education to local districts for the costs of ~~rents and leases;~~

(a) supplies and materials; ~~and;~~

(b) supplies for resale; ~~and~~

(c) *rents and leases, excluding those of buildings for school purposes, computer systems hardware and related proprietary software, photocopy machines and telecommunications equipment,*

for all instructional programs and support services including related instruction and special needs programs. Post-secondary vocational supply aid shall be utilized solely for the purposes of post-secondary vocational education and shall not be utilized for equipment or other capital expenditures.

Sec. 24. Minnesota Statutes 1980, Section 124.5622, Subdivision 4, is amended to read:

Subd. 4. [BUDGETS; SUPPLY AID ALLOCATION.] Each AVTI shall submit a budget ~~before January 1, 1980 and before January 1 of each year thereafter~~ detailing estimated costs for the following fiscal year *in each applicable component activity of the AVTI's operations* for each of the following expenditure categories: rents and leases, supplies and materials, and supplies for resale, for all instructional programs and support services including related instruction and special needs programs. Each budget shall also include anticipated revenues from the sales of supplies and services. A budget submitted pursuant to this section shall not include any expenditures or revenues which are included in the computation of the AVTI's budgets for post-secondary vocational support services aid ~~or capital expenditure~~, *equipment aid, or*

repair and betterment aid. The department of education shall recommend an allocation of supply aid *in each component activity* for each of the expenditure categories and a total allocation of supply aid for each AVTI, after a review of each AVTI budget. The state board shall review the recommendations of the department for the distribution of supply aid, authorize an allocation of supply aid for each AVTI, and detail recommended levels of spending *in each component activity* for each expenditure category through the consolidated public hearing process prescribed in section 124.561, subdivision 3a.

Sec. 25. Minnesota Statutes 1980, Section 124.5622, Subdivision 5, is amended to read:

Subd. 5. [REPORT.] Before ~~August 1, 1980, and before~~ August 1 of each ~~subsequent~~ year, the commissioner shall issue a report on the supply aid allocation to each AVTI. This report shall include recommended aid allocations *in each component activity* for each expenditure category and an explanation comparing the amount of the authorized aid allocation to the budget submitted for each AVTI. This report shall be transmitted to the education committees of the legislature and to the directors of the AVTI's.

Sec. 26. Minnesota Statutes 1980, Section 124.5623, Subdivision 3, is amended to read:

Subd. 3. "Post-secondary vocational support ~~service services~~ aid" means state and federal funds, exclusive of post-secondary vocational ~~capital expenditure~~ *equipment aid, repair and betterment aid*, supply aid, instructional aid and debt service aid, apportioned by the state board for vocational education to local school districts for the costs of support services, including related instruction and special needs programs, enumerated in subdivision 4. Post-secondary vocational support services aid shall be utilized solely for the purposes of post-secondary vocational education and shall not be utilized for equipment or other capital expenditures.

Sec. 27. Minnesota Statutes 1980, Section 124.5623, Subdivision 4, is amended to read:

Subd. 4. [BUDGETS; SUPPORT SERVICES ALLOCATION.] Each AVTI shall submit a budget before ~~January 1, 1980, and before~~ January 1 of each year ~~thereafter~~ detailing the estimated costs for the following fiscal year ~~for all support services, including related instruction and special needs programs. These costs shall include in each applicable component activity of the AVTI's operations for each of the following expenditure categories:~~ expenditures for support services personnel salaries, travel and fringe benefits, excluding teachers' retirement and teachers' social security; expenditures for other purchased services; and other support ~~service services~~ expenditures, ~~for all support services, including related instruction and special needs programs.~~ Each budget shall also include all other anticipated support ~~service services~~ revenues. A budget submitted pursuant to this section shall not include any expenditures for or revenue from the sale of supplies and equipment. A budget submitted pursuant to this section shall not include any expenditures or revenues which are included in the computation of an AVTI's instructional program cost or in the AVTI's budgets for post-secondary vocational supply aid ~~or capital expenditure, equipment aid, or repair and betterment aid.~~ The department of education shall recommend an allocation of support services aid *in each component activity* for each of the expenditure categories and a total

allocation of support services aid for each AVTI, after a review of each AVTI budget. The state board shall review the recommendations of the department, authorize an allocation of support services aid for each AVTI, and detail recommended levels of spending in *each component activity* for each expenditure category, through the consolidated public hearing process prescribed in section 124.561, subdivision 3a. No aid shall be allocated for any special vocational systemwide support service project or program, excluding regional special needs programs. The estimated amount of each AVTI's net positive unappropriated general fund balance, as of June 30 of the fiscal year during which allocations are made, which exceeds 15 percent of the AVTI's operating expenditures, as defined by the uniform financial accounting and reporting system, for the fiscal year during which allocations are made, shall be taken into account by the state board in making these allocations. *The estimated amount of each AVTI's tuition revenues for the year in which the aid is paid may be taken into account by the state board in making these allocations.*

Sec. 28. Minnesota Statutes 1980, Section 124.5623, Subdivision 5, is amended to read:

Subd. 5. Before ~~August 1, 1980~~ and before August 1 of each subsequent year, the commissioner shall issue a report on the support services aid allocation to each AVTI. This report shall include the recommended aid allocation in *each component activity* for each support services expenditure category and an explanation comparing the amount of the authorized aid allocation to the budget submitted for each AVTI. The fund balances and *estimated tuition revenues* used by the state board in determining the support services aid allocations shall be included. This report shall be transmitted to the education committees of the legislature and to the directors of the AVTI's.

Sec. 29. Minnesota Statutes 1980, Section 124.5624, is amended to read:

124.5624 [POST-SECONDARY VOCATIONAL CAPITAL EXPENDITURE EQUIPMENT AID.]

Subdivision 1. For the purposes of this section, the words, terms and phrases defined in subdivisions 2 and 3 have the meanings ascribed to them.

Subd. 2. "AVTI" means a post-secondary area vocational-technical institute.

Subd. 3. "Post-secondary vocational ~~capital expenditure equipment aid~~" means state funds, exclusive of post-secondary vocational instructional aid, supply aid, support services aid and, debt service aid, and *repair and betterment aid* apportioned by the state board for vocational education to local school districts for the purpose of ~~improving or repairing school sites or equipping, re-equipping, repairing or improving buildings and permanent attached fixtures,~~

(a) *acquisition or purchase of equipment or machinery;*

(b) *betterment as defined in section 475.51 of equipment or machinery; and*

(c) *paying leasing fees for computer systems hardware and related proprietary software, photocopy machines and telecommunications equipment,*

as necessary for the conduct of post-secondary vocational-technical training. Post-secondary vocational ~~capital expenditure~~ *repair and betterment aid* shall

be utilized solely for the purposes enumerated in this section.

Subd. 4. [BUDGETS; EQUIPMENT AID ALLOCATION.] Each AVTI shall submit a budget before January 1, 1980 1982, and before January 1 of each year thereafter detailing estimated costs for the following fiscal year ~~for equipment and other capital expenditures in each applicable component activity of the AVTI's operations for each of the following expenditure categories: acquisition of equipment or machinery, betterment of equipment or machinery and rents and leases, for all instructional programs and support services, including special needs programs and related instruction.~~ Each budget shall also include anticipated revenues from the sale of equipment and other capital goods. A budget submitted pursuant to this section shall not include any revenues or expenditures which are included in the computation of an AVTI's instructional program cost or in the AVTI's budgets for post-secondary vocational support services aid ~~or, supply aid, or repair and betterment aid.~~ The department of education shall recommend an allocation of ~~capital expenditure equipment aid in each applicable component activity of the AVTI's operations for each of the expenditure categories and a total allocation of capital expenditure equipment aid for each AVTI, after a review of each AVTI budget.~~ The state board shall review the recommendations of the department, authorize an allocation of ~~capital expenditure equipment aid for each AVTI, and detail recommended levels of spending in each component activity for each expenditure category, through the consolidated public hearing process prescribed in section 124.561, subdivision 3a.~~ ~~The amount of each AVTI's estimated net positive unappropriated capital expenditure fund balance, as of June 30 of the fiscal year during which allocations are made, shall be taken into account by the state board in making these allocations.~~

Subd. 5. [APPROVAL.] All ~~capital equipment~~ expenditures for AVTI's in excess of \$4,000 shall receive prior approval by the commissioner. This approval shall be sought and given separately from the budget hearing and aid allocation process.

Subd. 6. [REPORT.] Before August 1, 1980 1982, and before August 1 of each subsequent year, the commissioner shall issue a report on the ~~capital expenditure equipment aid allocation to each AVTI.~~ This report shall include recommended aid allocations ~~in each component activity for each capital expenditure category and an explanation comparing the amount of the authorized capital expenditure equipment 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 October 1, 1984, and before August 1 October 1 of each subsequent year, the commissioner shall also report on the equipment inventory of each AVTI, including original cost, current value and estimated remaining useful life a five year projection of the replacement needs of fixed assets property for each of the AVTI's.

These reports shall be transmitted to the education committees of the legislature and to the directors of the AVTI's.

Sec. 30. [124.5627] [POST-SECONDARY VOCATIONAL REPAIR AND BETTERMENT AID.]

Subdivision 1. For the purposes of this section, the words, terms and phrases

defined in subdivisions 2 and 3 have the meanings ascribed to them.

Subd. 2. "AVTI" means a post-secondary area vocational-technical institute.

Subd. 3. [REPAIR AND BETTERMENT AID.] (a) [DEFINITION.] "Post-secondary vocational repair and betterment aid" means state funds, exclusive of post-secondary vocational instructional aid, supply aid, support services aid, debt service aid, and equipment aid, apportioned by the state board for vocational education to local school districts for the purpose of reconstruction, improvement, remodeling and repair of the existing AVTI buildings and grounds, and renting or leasing buildings for school purposes, as necessary for the conduct of post-secondary vocational-technical training.

(b) [PROHIBITION.] Post-secondary vocational repair and betterment aid shall be utilized solely for the purposes enumerated in this section. The use of post-secondary vocational repair and betterment aid shall be governed by the provisions of section 121.21, subdivision 4a. Post-secondary vocational repair and betterment aid shall not be utilized for the acquisition or betterment of equipment or machinery.

Subd. 4. [BUDGETS; AID ALLOCATION.] Each AVTI shall submit a budget before January 1, 1982 and before January 1 of each subsequent year detailing estimated costs for the following fiscal year for rents and leases and for each repair and betterment project proposed by the AVTI. A budget submitted pursuant to this section shall not include any revenues or expenditures which are included in the computation of an AVTI's instructional program cost or in the AVTI's budgets for post-secondary vocational support services aid, supply aid, or equipment aid. The department of education shall recommend an allocation of repair and betterment aid for rents and leases and for each project proposed by the AVTI as well as a total allocation of repair and betterment aid for each AVTI, after a review of each AVTI budget. The state board shall review the recommendations of the department, authorize an allocation of repair and betterment aid for each AVTI, and detail recommended levels of spending for rents and leases and for each project proposed by the AVTI, through the consolidated public hearing process prescribed in section 124.561, subdivision 3a. The amount of each AVTI's estimated net positive unappropriated capital fund balance, as of June 30 of the fiscal year during which allocations are made, shall be taken into account by the state board in making these allocations. The allocation of post-secondary vocational repair and betterment aid by the state board shall not constitute approval of a project by the state board for the purposes of section 121.21, subdivision 4a.

Subd. 5. [REPORT.] Before August 1, 1982 and before August 1 of each subsequent year, the commissioner shall issue a report on the repair and betterment aid allocation to each AVTI. This report shall include recommended aid allocations for rents and leases and for each repair and betterment project proposed by an AVTI and an explanation comparing the amount of the authorized repair and betterment aid allocation to the budget submitted for each AVTI. The fund balances used by the state board in determining the repair and betterment aid allocation shall be included.

These reports shall be transmitted to the education committees of the legislature and to the directors of the AVTI's.

Sec. 31. Minnesota Statutes 1980, 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~~ *the amount per quarter set by the state board for vocational education* for each quarter the pupil is enrolled. *The state board for vocational education shall be exempt from the rulemaking requirements of chapter 15 for setting tuition charges.* 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. 32. Minnesota Statutes 1980, Section 124.565, Subdivision 4, is amended to read:

Subd. 4. Unless covered by a higher education reciprocity agreement relating to nonresident tuition, entered into by the Minnesota higher education coordinating board and approved by the state board for vocational education, tuition at a post-secondary vocational-technical school for a pupil who is not a resident of Minnesota shall be ~~\$320~~ *the amount per quarter for each quarter the pupil is enrolled set by the state board for vocational education.* *The state board for vocational education shall be exempt from the rulemaking requirements of chapter 15 for setting tuition charges.* 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. 33. Minnesota Statutes 1980, Section 124.565, Subdivision 6, is amended to read:

Subd. 6. [LENGTH OF QUARTER.] For purposes of ~~the~~ tuition charges ~~established in this section~~, a quarter shall consist of 60 school days. The state board for vocational education shall adopt rules providing for proportionate tuition charges for quarters which are shorter or longer than 60 days, for part time and extended day enrollment, and for programs which begin or end during a quarter. The state board shall adopt rules providing for tuition charges based on approved program lengths for programs offered on an individualized basis.

Sec. 34. Minnesota Statutes 1980, Section 124.565, Subdivision 7, is amended to read:

Subd. 7. [VETERAN'S EXEMPTION.] 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~~ 440 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 July 1, 1980.~~

"Veteran" for the purpose of this subdivision means a person who ~~entered served in the~~ 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 any federal or state agency.~~

Sec. 35. Minnesota Statutes 1980, Section 124.572, Subdivision 3, is

amended to read:

Subd. 3. This aid shall be paid only for services rendered or for travel costs incurred in adult vocational education programs approved for funding by the ~~state department~~ commissioner of education ~~and~~. Rules shall be adopted by the state board providing criteria to be applied by the commissioner in approving programs for funding pursuant to this section including: economic impact of the program, legislative mandate for the program, employment opportunities in the occupational area, and proven contribution of the program. All programs shall be operated in accordance with rules promulgated by the state board. These rules shall provide minimum student-staff ratios required for an adult vocational education program to qualify for this aid. Rules relating to adult vocational education programs shall not incorporate the provisions of the state plan for vocational education by reference.

Sec. 36. Minnesota Statutes 1980, Section 124.572, is amended by adding a subdivision to read:

Subd. 3a. In any fiscal year when moneys requested for programs approved for funding are more than the amount appropriated, the commissioner of education shall, to the extent possible, continue full funding for programs which are approved by July 1 for aid for even numbered years or by the preceding March 1 for aid for odd numbered years. The commissioner shall prorate any remaining moneys among programs which are approved for funding after these dates.

Sec. 37. Minnesota Statutes 1980, Section 124.572, Subdivision 8, is amended to read:

Subd. 8. [PAYMENT SCHEDULE THROUGH 1982.] *Through the 1981-1982 school year, the state shall pay to each school district 30 percent of its estimated adult vocational education aid for the school year on or before the following dates: August 31, December 31 and March 31. The final aid distribution to the district shall be made on or before October 31 of the following school year. All adult vocational education aids shall be computed and distributed by the state aids, statistics, and research section of the state department of education.*

Sec. 38. Minnesota Statutes 1980, Section 124.572, is amended by adding a subdivision to read:

Subd. 8a. [PAYMENT SCHEDULE.] Beginning in the 1982-1983 school year, the state shall pay to each school district its estimated adult vocational education aid in the following manner: 30 percent by August 31, 30 percent by December 31, and 25 percent by March 31. The final aid distribution shall be made by October 31 of the following school year. All adult vocational education aids shall be computed and distributed by the state aids section of the department of education.

Sec. 39. Minnesota Statutes 1980, Section 124.573, Subdivision 2, is amended to read:

Subd. 2. In the ~~1978-1979~~ 1981-1982 school year and each year thereafter, the state shall pay to any district or cooperative center ~~50~~ 45 percent of the salaries paid to essential, licensed personnel in that school year for services rendered in that district's or center's secondary vocational education programs.

In addition, the state shall pay ~~50 percent of the costs of necessary equipment for these programs, 50~~ 45 percent of the costs of necessary travel between instructional sites by secondary vocational education teachers, ~~and 50~~ 45 percent of the costs of necessary travel by secondary vocational education teachers accompanying students to and from vocational student organization meetings held within the state for educational purposes, ~~and 45 percent of the costs of necessary equipment for these programs. No secondary vocational equipment aid shall be paid beginning with the 1982-1983 school year.~~ The commissioner may withhold all or any portion of this aid for a secondary vocational education program which receives funds from any other source, and in no event shall a district or center receive a total amount of state aid pursuant to this section which, when added to funds from other sources, will provide the program an amount for salaries, equipment and travel which exceeds 100 percent of the amount of its expenditures for salaries, equipment and travel in the program.

Sec. 40. Minnesota Statutes 1980, Section 124.573, Subdivision 3a, is amended to read:

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

Sec. 41. Minnesota Statutes 1980, Section 124.573, Subdivision 5, is amended to read:

Subd. 5. [PAYMENT SCHEDULE THROUGH 1982.] *Through the 1981-1982 school year*, the state shall pay to each school district and center 30 percent of its estimated secondary vocational education aid for salaries and travel for the school year on or before the following dates: August 31, December 31 and March 31. The state shall pay 90 percent of a district's estimated secondary vocational education aid for equipment for the school year on or before August 31. The final aid distribution to the district shall be made on or before October 31 of the following school year. All secondary vocational education aids shall be computed and distributed by the state aids, ~~statistics, and research~~ section of the state department of education.

Sec. 42. Minnesota Statutes 1980, Section 124.573, is amended by adding a subdivision to read:

Subd. 5a. [PAYMENT SCHEDULE.] *Beginning in the 1982-1983 school year, the state shall pay to each school district and cooperative center its estimated secondary vocational education aid for salaries and travel in the following manner: 30 percent by August 31, 30 percent by December 31, and 25 percent by March 31. The final aid distribution shall be made by October 31*

of the following school year. All secondary vocational education aids shall be computed and distributed by the state aids section of the department of education.

Sec. 43. Minnesota Statutes 1980, Section 124.574, Subdivision 2, is amended to read:

Subd. 2. (a) ~~In the 1979-1980~~ *For the 1981-1982 and 1982-1983 school year years and thereafter,* the state shall pay to any district or cooperative center ~~70~~ 65 percent of the salaries paid to essential licensed personnel in that school year for services rendered in that district or center's secondary vocational education programs for handicapped children.

(b) *Beginning in the 1983-1984 school year and each year thereafter, the state shall pay to any district or cooperative center 70 percent of the salaries paid to essential licensed personnel in that school year for services rendered in that district or center's secondary vocational education programs for handicapped children.*

Sec. 44. Minnesota Statutes 1980, Section 124.574, Subdivision 4, is amended to read:

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

Sec. 45. Minnesota Statutes 1980, Section 124.574, Subdivision 8, is amended to read:

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

Sec. 46. [INSTRUCTIONS TO REVISOR OF STATUTES.]

In accordance with Minnesota Statutes 1980, Section 648.36, in the next edition of Minnesota Statutes, the revisor of statutes shall retitle the headnote of section 124.562 to read "[POST-SECONDARY VOCATIONAL MEMBERSHIP.]"

Sec. 47. [REPEALER.]

Minnesota Statutes 1980, Sections 124.561, Subdivision 4; 124.562, Subdivisions 3 and 4; 124.566; 124.571; and 275.125, Subdivision 14, are repealed.

Sec. 48. [APPROPRIATIONS.]

Subdivision 1. There is appropriated from the general fund to the department of education the sums indicated in this section for the fiscal years ending June 30 in the years designated.

Subd. 2. [POST-SECONDARY VOCATIONAL INSTRUCTIONAL AID.] For post-secondary vocational instructional aid there is appropriated:

\$53,348,600.....1982,

\$54,759,400.....1983.

The appropriation for 1982 includes \$4,877,300 for aid for fiscal year 1981 payable in fiscal year 1982, and \$48,471,300 for aid for fiscal year 1982 payable in fiscal year 1982.

The appropriation for 1983 includes \$5,385,700 for aid for fiscal year 1982 payable in fiscal year 1983 and \$49,373,700 for aid for fiscal year 1983 payable in fiscal year 1983.

Subd. 3. [POST-SECONDARY VOCATIONAL SUPPLY AID.] For post-secondary vocational supply aid there is appropriated:

\$15,307,500.....1982,

\$14,828,250.....1983.

Subd. 4. [POST-SECONDARY VOCATIONAL SUPPORT SERVICES AID.] (a) For post-secondary vocational support services aid there is appropriated:

\$16,967,110.....1982,

\$15,191,140.....1983.

The appropriation for 1982 is based on the assumption that the state will spend for this purpose an amount at least equal to \$6,251,400 in fiscal year 1982 of federal money received for vocational education programs pursuant to the Vocational Education Act of 1963, as amended. The appropriation for 1982 includes \$2,848,000 to be allocated by the state board for special needs instruction.

The appropriation for 1983 is based on the assumption that the state will spend for this purpose an amount at least equal to \$6,251,400 in fiscal year 1983 of federal money received for vocational education programs pursuant to the Vocational Education Act of 1963, as amended. The appropriation for 1983 includes \$2,629,050 to be allocated by the state board for special needs instruction.

(b) For post-secondary support services aid to pay for implementation of the fixed assets property management accounting and reporting system there is appropriated:

\$ 140,000.....1982.

Any amount remaining from this appropriation at the end of fiscal year 1982 shall not cancel and shall be available in the second year of the biennium.

The amounts appropriated in this subdivision shall not be used for any special vocational systemwide support service program or project.

Subd. 5. [POST-SECONDARY VOCATIONAL EQUIPMENT AID.] For

post-secondary vocational equipment aid there is appropriated:

\$ 9,830,000.....1982,

\$ 9,120,500.....1983.

This appropriation is based on the assumption that the state will spend for the purposes for which post-secondary vocational equipment aid is paid an amount equal to \$500,000 in each fiscal year of the biennium ending June 30, 1983 of federal money received for vocational education programs pursuant to the Vocational Education Act of 1963, as amended.

Subd. 6. [POST-SECONDARY VOCATIONAL REPAIR AND BETTERMENT AID.] *For post-secondary vocational repair and betterment aid there is appropriated:*

\$ 1,400,000.....1982,

\$ 1,190,000.....1983.

Subd. 7. [APPROPRIATION FOR CONTINGENCY FUND.] *For the post-secondary vocational contingency fund there is appropriated:*

\$ 250,000.....1982.

Any amount remaining from this appropriation at the end of fiscal year 1982 shall not cancel and shall be available in the second year of the biennium.

Subd. 8. [POST-SECONDARY VOCATIONAL DEBT SERVICE AID.] *For post-secondary vocational debt service aid there is appropriated:*

\$ 7,731,000.....1982,

\$ 7,600,100.....1983.

Subd. 9. [ADULT VOCATIONAL EDUCATION AID.] *For adult vocational education aid there is appropriated:*

\$ 6,851,900.....1982,

\$ 7,102,000.....1983.

The appropriation for 1982 includes \$707,600 for aid for fiscal year 1981 payable in fiscal year 1982 of which not to exceed \$20,000 is for necessary travel and of which not to exceed \$20,000 is for small business management programs. This amount also includes \$6,144,300 for aid for fiscal year 1982 payable in fiscal year 1982 of which not to exceed \$198,000 is for necessary travel.

The appropriation for 1983 includes \$682,700 for aid for fiscal year 1982 payable in fiscal year 1983 of which not to exceed \$22,000 is for necessary travel. This amount also includes \$6,419,300 for aid for fiscal year 1983 payable in fiscal year 1983 of which not to exceed \$212,500 is for necessary travel.

None of the amounts appropriated in this subdivision shall be used for any special vocational systemwide support service program or project.

Subd. 10. [ENERGY MANAGEMENT FOR BUILDING OPERATORS.] *For the establishment of adult vocational programs in energy management for building operators, there is appropriated:*

\$50,000.....1982,

\$50,000.....1983.

This aid shall be paid in accordance with section 124.572. The entire amount of the appropriation for 1982 is for aid for fiscal year 1982. The appropriation for 1983 includes \$5,550 for aid for fiscal year 1982 payable in fiscal year 1983, and \$44,450 for aid for fiscal year 1983 payable in fiscal year 1983. The department of education may apply for moneys from other sources to fund programs in energy management for building operators.

Subd. 11. [VETERAN FARMER COOPERATIVE TRAINING PROGRAMS.] For veteran farmer cooperative training programs there is appropriated:

\$675,100.....1982,

\$588,900.....1983.

Subd. 12. [SECONDARY VOCATIONAL EDUCATION AID.] For secondary vocational education aid pursuant to section 124.573 there is appropriated:

\$21,979,340.....1982,

\$20,165,060.....1983.

The appropriation for 1982 includes \$2,287,700 for aid for fiscal year 1981 payable in fiscal year 1982 of which not to exceed \$181,600 is for equipment. This amount also includes \$19,691,640 for aid for fiscal year 1982 payable in fiscal year 1982 of which not to exceed \$1,547,100 is for equipment.

The appropriation for 1983 includes \$2,187,960 for aid for fiscal year 1982 payable in fiscal year 1983, of which not to exceed \$171,900 is for equipment. This amount also includes \$17,977,100 for aid for fiscal year 1983 payable in fiscal year 1983.

None of the amounts appropriated in this subdivision shall be used for any special vocational systemwide support service program or project.

Subd. 13. [AID FOR SECONDARY VOCATIONAL EDUCATION PROGRAMS FOR HANDICAPPED CHILDREN.] For secondary vocational programs for handicapped children pursuant to section 124.574, subdivision 2, there is appropriated:

\$ 2,303,000.....1982,

\$ 2,360,310.....1983.

The appropriation for 1982 includes \$226,900 for aid for fiscal year 1981 payable in fiscal year 1982. This amount also includes \$2,076,100 for aid for fiscal year 1982 payable in fiscal year 1982. This appropriation is based on the assumption that the state will spend for this purpose an amount at least equal to \$300,000 in fiscal year 1982 of federal money received for vocational education programs pursuant to the Vocational Education Act of 1963, as amended.

The appropriation for 1983 includes \$230,750 for aid for fiscal year 1982 payable in fiscal year 1983. This amount also includes \$2,129,560 for aid for fiscal year 1983 payable in fiscal year 1983. This appropriation is based on the assumption that the state will spend for this purpose an amount at least equal to

\$300,000 in fiscal year 1983 of federal money received for vocational education programs pursuant to the Vocational Education Act of 1963, as amended.

Subd. 14. [CANCELLATION; PRORATION.] Except as provided in subdivision 4, clause (b), and subdivision 7, any unexpended balance remaining from the appropriations in this section for 1982 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 appropriation amounts attributable to either year for any purpose indicated are insufficient, the aid for that year shall be prorated among all qualifying districts, and the state shall not be obligated for any amount in excess of the appropriations in this section for these purposes.

Sec. 49. [EFFECTIVE DATES.]

Subdivision 1. Sections 14, 15, 16, 21, 23, 24, 26, 27, 29, 30, 35, and 36 of this article shall be effective the day following final enactment.

Subd. 2. Repair and betterment aid pursuant to section 30 of this article shall be paid to AVTI's starting in fiscal year 1982.

ARTICLE VI

OTHER AIDS AND LEVIES

Section 1. [3.9251] [PROGRAMS FOR HANDICAPPED ADULTS.]

Programs funded by the council on quality education may include programs designed to benefit handicapped adults.

Sec. 2. Minnesota Statutes 1980, Section 3.9278, Subdivision 1, is amended to read:

Subdivision 1. As used in ~~Laws 1979, Chapter 334, Article 7~~ sections 3.9276 to 3.9279, the terms defined in this section have the meanings given them.

Sec. 3. Minnesota Statutes 1980, Section 3.9279, Subdivision 8, is amended to read:

Subd. 8. [ADVISORY TASK FORCE ON EARLY CHILDHOOD AND FAMILY EDUCATION.] The council on quality education shall appoint an advisory task force on early childhood and family education programs. The advisory task force shall be composed of parents of young children and persons knowledgeable in the fields of health, education and welfare. A majority of the task force shall be parents of young children. The advisory task force shall advise the council in the administration of the early childhood and family education programs. The terms; compensation and removal of members shall be governed by the provisions of section 15.059, subdivision 6. The task force shall expire June 30, ~~1981~~ 1983.

Sec. 4. Minnesota Statutes 1980, Section 3.9279, Subdivision 10, is amended to read:

Subd. 10. [VOLUNTARY PARTICIPATION.] Participation by parents and children in early childhood and family education programs shall be voluntary and shall not preclude participation in other state or local programs. *To the extent possible, each school district providing early childhood and family education programs shall seek the participation of minority and economically*

disadvantaged persons in the same proportion as these groups are represented in the area served by the program. Upon request, the school districts shall report on the success of these efforts to the council on quality education. No school district shall discriminate in providing early childhood and family education programs on the basis of race, religion, sex or ethnic background, and no programs shall be used in whole or in part for religious worship or instruction.

Sec. 5. Minnesota Statutes 1980, Section 3.9279, Subdivision 12, is amended to read:

Subd. 12. [NEGOTIATED GRANTS.] For the ~~1979-1980~~ 1981-1982 and ~~1980-1981~~ 1982-1983 school years the council on quality education may fund up to 36 early childhood and family education programs according to the negotiated grants procedure in sections 3.924 to 3.927.

Sec. 6. [3.9290] [CITATION.]

Sections 6 to 12 of this article may be cited as the "Minnesota Improved Learning and Principal-Teacher, Counselor-Teacher, and Career Teacher Act".

Sec. 7. [3.9291] [PURPOSE.]

The legislature recognizes the unique and lifelong learning process of all human beings. The legislature is committed to the goal of maximizing the individual growth potential of all students through the secondary schools. The purposes of sections 6 to 12 of this article are:

(a) To offer improved learning programs which emphasize basic and applied learning skills and the liberal arts;

(b) To recognize and utilize the unique skills that teachers, students, family, and the community have in both the teaching process and the learning process; and

(c) To provide an opportunity for maximum use of principals and teachers.

Sec. 8. [3.9292] [PROGRAM SELECTION.]

Subdivision 1. [AUTHORIZATION.] A school district or group of districts that wish to receive moneys for improved learning programs may apply to the state board of education for approval. Programs may be approved for one portion of a school population, an entire school attendance area, several attendance areas, an entire school district, or a group of school districts.

Subd. 2. [APPLICATIONS.] The state board shall prescribe the form and manner of application for the program. The council on quality education may review and advise the state board on applications made for improved learning programs. Beginning in 1982, and each year thereafter, applications shall be submitted to the state board by January 15. If a district wishes to receive aid for the principal-teacher, career teacher or counselor-teacher component of an improved learning program, an application for state aid must be submitted to the state board by January 15. Estimates of salaries and fringe benefits for the next school year and for the additional time beyond the regular contract period for staff to be employed shall be itemized on the application for aid. The board shall notify all applicants of aid approved or denied by March 15 of each year. The board shall approve or deny applications in the order that they are

received.

Subd. 3. [WAIVERS.] The state board may waive school district compliance with its rules which would prevent implementation of an improved learning program which receives approval from the state board. However, individuals participating in the principal-teacher, counselor-teacher, or career teacher program shall maintain their seniority date in the district and all rights under the applicable collective bargaining agreement.

Subd. 4. [ADDITIONAL FUNDING.] A school district providing an improved learning program may receive funds for the program from private sources and governmental agencies, including state or federal funds.

Subd. 5. [REPORT.] The department shall submit a report to the legislature by February 1, 1983, and by February 1 each year thereafter. This report shall include the number and description of programs approved, implementation status of programs approved, waivers granted, and evaluation of programs approved.

Sec. 9. [3.9293] [ADVISORY COUNCIL.]

The school board of a district providing an improved learning program shall appoint an advisory council. Council members shall be selected from the school attendance area in which programs are provided. Members of the council may include students, teachers, principals, administrators and community members. A majority of the members shall be parents with children participating in the local program. The local advisory council shall advise the school board in the development, coordination, supervision, and review of the improved learning program. The council shall meet at least two times each year with any established community education advisory council in the district. Members of the council may be members of the community education advisory council. The council shall report to the school board.

Sec. 10. [3.9294] [PROGRAM CRITERIA.]

Subdivision 1. [MANDATORY COMPONENTS.] A plan for an improved learning program shall include:

(a) Curricula, instructional strategy and use of materials responsive to the individual educational needs and learning styles of each pupil to enable students to make continuous progress and learn at a rate appropriate to their abilities;

(b) A plan to develop student abilities for both learner and teacher in basic skills and applied learning skills and, when appropriate, arts, humanities, physical, natural, and social sciences; multicultural education; physical, emotional, and mental health; consumer economics, and career education;

(c) Plans to make use of community resources and communications media to pursue improved learning opportunities for pupils;

(d) A staff development program for teachers and other school personnel, such as that found in sections 11 and 12 of this article;

(e) A plan to improve the learning environment, including use of the community in general, to enhance the learning process;

(f) A plan for annual and ongoing evaluation of program goals and objec-

tives; and

(g) A plan to involve parents in planning an improved learning program for their children.

Subd. 2. [OPTIONAL COMPONENTS.] A plan for an improved learning program may include:

(a) A principal-teacher and career teacher program as defined in section 11 of this article;

(b) A counselor-teacher program as defined in section 12 of this article;

(c) Cooperative efforts with other agencies involved with human services or child development and development of alternative community based learning experiences;

(d) Apprenticeship post-secondary education components for students who are able to accelerate or programs for students with special abilities and interests who are given advanced learning opportunities within existing programs;

(e) Use of volunteers in the learning program;

(f) Flexible attendance schedules for students;

(g) Adult education component;

(h) Early childhood and family education component;

(i) Variable student/faculty ratios for special education students to provide for special programming;

(j) Inclusion of nonpublic students participating in an improved learning program as part of the ratio in the principal-teacher and career teacher component;

(k) Application of educational research findings;

(l) Summer learning experiences for students as recommended by the principal-teacher and career teacher;

(m) Use of educational assistants, teacher aides or paraprofessionals as part of the improved learning program;

(n) Establishment of alternative criteria for high school graduation; and

(o) Variable age and class size groupings of students.

Sec. 11. [3.9295] [PRINCIPAL-TEACHER AND CAREER TEACHER COMPONENT.]

Subdivision 1. [STATUS.] An improved learning program may include a principal-teacher and career teacher component. The principal-teacher and career teacher shall not be the exclusive teacher for students assigned to him or her but shall serve the function of developing and implementing a student's overall learning program. The principal-teacher and career teacher may be responsible for regular classroom assignments as well as learning programs for other students assigned to him or her.

Subd. 2. [QUALIFICATIONS.] (a) An individual employed as a principal-teacher must be licensed as a principal by the state board of education and

shall be considered a principal as defined in section 179.63, subdivision 14, for purposes of the Public Employment Labor Relations Act.

(b) An individual employed as a career teacher must be licensed as a teacher by the state board of teaching and shall be considered a teacher as defined in section 179.63, subdivision 13, for purposes of the Public Employment Labor Relations Act.

Subd. 3. [STAFF/STUDENT RATIO.] (a) Except as provided in clause (b), one principal-teacher or career teacher shall be assigned for every 125 students. For each special education student included in the assignment, the 1:125 ratio shall be reduced by one.

(b) One principal-teacher shall be assigned for every 50 students when the principal-teacher is also the principal of the school.

Subd. 4. [SELECTION; RENEWAL.] (a) The school board shall establish procedures for teachers and principals to apply for the position of principal-teacher and career teacher. The authority for selection of principal-teachers and career teachers shall be vested in the board and no individual shall have a right to employment as a principal-teacher or career teacher based on seniority or order of employment in the district.

(b) Employment of the principal-teacher and career teacher shall be on a 12 month basis with vacation time negotiated individually with the board. The annual contract of a principal-teacher or career teacher may not be renewed, as the board shall see fit; provided, however, the board shall give any such teacher whose contract as a principal-teacher or career teacher it declines to renew for the following year written notice to that effect before April 15. If the board fails to renew the contract of a principal-teacher or career teacher, that individual shall be reinstated to another position in the district if eligible pursuant to section 125.12 or 125.17.

Subd. 5. [DUTIES.] The principal-teacher and career teacher shall be responsible for:

(a) The overall education and learning plan of students assigned to him or her. This plan shall be designed by the principal-teacher and career teacher with the student, parents, and other faculty, and shall seek to maximize the learning potential and maturation level of each pupil;

(b) Measuring the proficiency of the students assigned to him or her and assisting other staff in identifying pupil needs and making appropriate educational and subject groupings;

(c) When part of the district's plan, taking responsibility for the parent and early childhood education of students assigned to him or her;

(d) Designing and being responsible for program components which meet special learning needs of high potential and talented students; and

(e) Coordinating the ongoing, year-to-year learning program for students assigned to him or her.

Sec. 12. [3.9296] [COUNSELOR-TEACHER COMPONENT.]

Subdivision 1. [STATUS.] An improved learning program may include a counselor-teacher component. The counselor-teacher shall not be the exclusive

teacher with respect to the learning process of students assigned to him or her.

Subd. 2. [QUALIFICATIONS.] An individual employed as a counselor-teacher must be licensed as a counselor by the state board of education and shall be considered a teacher as defined in section 179.63, subdivision 13, for purposes of the Public Employment Labor Relations Act.

Subd. 3. [STAFF/STUDENT RATIO.] One counselor-teacher shall be assigned for every 125 students. For each special education student included in the assignment, the 1:125 ratio shall be reduced by one.

Subd. 4. [SELECTION; RENEWAL.] The annual contract of a counselor-teacher may not be renewed, as the board shall see fit; provided, however, the board shall give any such counselor whose contract for the counselor-teacher it declines to renew for the following year written notice to that effect before April 15. If the board fails to renew the contract of a counselor-teacher, that individual shall be reinstated to another position in the district if eligible pursuant to section 125.12 or 125.17.

Subd. 5. [DUTIES.] The counselor-teacher shall be responsible for providing guidance and counseling services to students assigned to him or her. This includes working with individual students, groups of students and families.

Sec. 13. Minnesota Statutes 1980, Section 123.36, Subdivision 13, is amended to read:

Subd. 13. [PROCEEDS OF SALE OR EXCHANGE.] Proceeds of the sale or exchange of school buildings or real property of the school district shall be used as provided in this subdivision.

(1) 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 that percentage of the principal and interest payments for ~~all~~ outstanding bonds which is ascribable to the payment of expenses necessary and incidental to the construction or purchase of the particular building or property which is sold.

(2) After satisfying the requirements of clause (1), a district with outstanding bonds may deposit proceeds of the sale or exchange in its capital expenditure fund if the amount deposited is used for the following:

(a) for energy audits on district owned buildings conducted pursuant to chapter 116H, and for funding those energy conservation and renewable energy measures which the energy audits indicate will reduce the use of nonrenewable sources of energy to the extent that the projected energy cost savings will amortize the cost of the conservation measures within a period of ten years or less;

(b) for capital expenditures for the purpose of reducing or eliminating barriers to or increasing access to school facilities by handicapped persons;

(c) for capital expenditures to bring district facilities into compliance with the uniform fire code adopted pursuant to Chapter 299F; or

(d) to replace the building or property sold.

The amount of the proceeds used for the purposes specified in clauses (a), (b) and (c) shall be deducted from the levy limitation computed for the levy

authorized in section 33 of this article in the first year after the deposit and from levy limitations computed for this levy in succeeding years until the entire amount is deducted.

(3) In a district with outstanding bonds, the amount of the proceeds of the sale or exchange remaining after the application of clauses (1) and (2), which is sufficient to meet when due that percentage of the principal and interest payments for the district's outstanding bonds which is not governed by clause (1), shall be deposited in the debt retirement fund.

(4) Any remaining proceeds of the sale or exchange remaining in these districts of the sale or exchange with outstanding bonds after the application of clauses (1), (2), and (3), and all proceeds of the sale or exchange in districts without outstanding bonds shall be deposited in the capital expenditure fund of the district.

(2) Notwithstanding clause (4) a district with outstanding bonds which sells a building or property in order to purchase a replacement, may apply to the commissioner to place proceeds of the sale in its capital expenditure fund in an amount necessary to purchase the replacement; provided the district places an amount in its debt retirement fund sufficient to meet when due the principal and interest payments for all outstanding bonds on the particular building or property which is sold.

(5) Notwithstanding clauses (2) and (3), a district with outstanding bonds may deposit in its capital expenditure fund and use for any lawful capital expenditure without the reduction of any levy limitation the same percentage of the proceeds of the sale or exchange of a building or property as the percentage of the initial cost of purchasing or constructing the building or property which was paid using revenue from the capital expenditure fund.

(6) Every district which sells or exchanges a building or property shall report to the commissioner in the form and at the time he prescribes on the disposition of the proceeds of the sale or exchange.

Sec. 14. Minnesota Statutes 1980, Section 123.702, Subdivision 1, is amended to read:

Subdivision 1. [SCREENING PROGRAM.] Every school board shall provide for a voluntary health and developmental screening program for children once before entering kindergarten. This screening program shall be established either by one board, by two or more boards acting in cooperation, by educational cooperative service units, by early childhood and family education programs, or by other existing programs. No school board may make this screening examination a mandatory prerequisite to enroll a student.

Subd. 1a. [COMPONENTS.] The screening programs shall include at least the following components to the extent the school board determines they are financially feasible: developmental assessments, hearing and vision screening, ~~dental assessments~~, the review of health history and immunization status, ~~laboratory tests~~ and nutritional and physical assessments. *The school board may also provide additional components, including laboratory tests or dental assessments, in the screening program.* All screening components shall be consistent with the standards of the state commissioner of health for early and periodic screening programs. No child shall be required to submit to any component of this screening program to be eligible for any other component.

No screening program shall provide laboratory tests, a health history or a physical examination to any child who has been provided with those laboratory tests or a health history or physical examination within the previous 12 months. The school district shall request the results of any laboratory test, health history or physical examination within the 12 months preceding a scheduled screening clinic.

Sec. 15. Minnesota Statutes 1980, Section 123.703, Subdivision 3, is amended to read:

Subd. 3. [REPORT.] The state board of education, in cooperation with the state commissioner of health, shall report to the legislature by February 1, 1980, of each year on the results of the screening programs in accomplishing the purposes specified in section 123.701. The report shall include information on the rates of children's participation in screening programs, on districts' costs for implementing the various components of the screening program, and on any exemptions granted from screening requirements because of financial infeasibility.

Sec. 16. Minnesota Statutes 1980, Section 123.705, is amended to read:

123.705 [STATE AID.]

The department of education shall pay each school district for the cost of screening services provided pursuant to sections 123.701 to 123.705. The payment shall not exceed \$25 \$28 per child screened in fiscal year 1980 1982 and \$27 \$29 per child screened in fiscal year 1981 1983. Any district may request and receive an advance payment equal to 50 percent of its estimated payment for screening eligible children.

Sec. 17. Minnesota Statutes 1980, Section 123.937, is amended to read:

123.937 [APPROPRIATION LIMIT ON DISTRICT OBLIGATIONS.]

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 the amount appropriated for purposes of sections 123.931 to 123.937 for any year is not sufficient to make the payments required pursuant to sections 123.931 to 123.937 for that year, 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 but shall be available for the second year of the biennium then no school district or intermediary service area is required to expend an amount pursuant to sections 123.931 to 123.937 for that year which exceeds the amount of the payments it receives pursuant to sections 123.931 to 123.937 for that year.

Sec. 18. Minnesota Statutes 1980, Section 124.245, Subdivision 1, is amended to read:

Subdivision 1. [BASIC COMPUTATION.] (a) In the 1980-1981 school year, the state shall pay a school district the difference by which an amount equal to \$80 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 per pupil unit in that school year, exceeds the amount raised by ten 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 the 1980-1981 school year, a district must have levied the full ten EARC mills for use for capital expenditures in that year pursuant to section 275.125, subdivision 11a.

(b) (a) In the 1981-1982 school year and each year thereafter, the state shall pay a school district the difference by which an amount equal to \$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, \$95 per pupil unit in that school year, exceeds the amount raised by 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~~ subdivision in any school year, a district must have levied the full seven EARC mills for use for capital expenditures in that year pursuant to section 275.125, subdivision 11a.

(b) In the 1982-1983 school year and each year thereafter, the aid under clause (a) for any district which operates an approved secondary vocational education program or an approved senior secondary industrial arts program shall be computed using a dollar amount per pupil unit which is \$5 higher than the amount specified in clause (a).

(c) If the sum of a district's capital expenditure levy under section 275.125, subdivision 11a, attributable to any school year starting in 1982-1983 and its capital expenditure equalization aid, if any, under this subdivision for that school year exceeds \$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, \$95 per pupil unit, the amount of the excess may be expended only for the purpose of capital expenditures for equipment for secondary vocational education programs or senior secondary industrial arts programs.

Sec. 19. Minnesota Statutes 1980, Section 124.245, is amended by adding a subdivision to read:

Subd. 1a. [SPECIAL PURPOSE COMPUTATION.] In the 1982-1983 school year and each year thereafter, the state shall pay a school district the difference by which an amount equal to \$25 per pupil unit exceeds the amount raised by two 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 subdivision in any school year, a district must levy the maximum permissible amount pursuant to section 33 of this article for use in that year. Aid paid pursuant to this subdivision may be used only for the purposes for which the proceeds of the levy authorized in section 33 of this article may be used.

Sec. 20. Minnesota Statutes 1980, Section 124.245, Subdivision 2, is amended to read:

Subd. 2. [PUPIL UNITS.] As used in this section, pupil units shall include only those units identified in section 124.17, subdivision 1, clauses (1), (2), (4), (5), (6) and (7). Beginning in the 1980-1981 school year, pupil units shall include only those units identified in section 124.17, subdivision 1, clauses (1), and (2), (4) and (5); provided that notwithstanding the expiration of Minnesota Statutes, 1979 Supplement, Section 124.17, Subdivision 1, Clauses (6) and (7), pupil units identified in those clauses shall also be included for purposes of the computation of capital expenditure aid for the 1980-1981

~~school year~~ and 98.5 percent of the units identified in Minnesota Statutes 1980, Section 124.17, Subdivision 1, Clauses (4) and (5) for 1980-1981.

Sec. 21. Minnesota Statutes 1980, Section 124.245, is amended by adding a subdivision to read:

Subd. 4. [PAYMENT SCHEDULE.] Starting in 1982-1983, eighty-five percent of a district's capital expenditure equalization aid for each school year shall be distributed prior to November 1 of that school year. The final aid distribution to each district shall be made prior to November 1 of the following school year.

Sec. 22. [124.246] [CHEMICAL USE PROGRAMS.]

Subdivision 1. [ELIGIBILITY AND PURPOSE.] Each school board which adopts a comprehensive policy and procedures to minimize chemical use problems among all pupils in the district, and which submits them to the department of education, shall be eligible for state aid for the following purposes:

- (a) inservice training for public and nonpublic school staff,*
- (b) prevention programs, including curriculum materials,*
- (c) community and parent awareness programs,*
- (d) problem identification programs,*
- (e) referral programs, and*
- (f) aftercare support programs.*

The programs shall be for pupils in public elementary, secondary and area vocational-technical schools and nonpublic elementary and secondary schools, and their parents, teachers and staff.

Subd. 2. [AID.] An eligible district shall receive \$1 for each pupil, in average daily membership, enrolled in a public elementary, secondary or area vocational-technical or nonpublic elementary or secondary school. Aid for nonpublic school pupils shall be paid to the district upon request by or on behalf of the pupils. No district shall receive less than \$1,000.

Subd. 3. [APPLICATIONS.] A district that is eligible for aid shall apply to the commissioner of education by October 1 of each school year on the form supplied by the commissioner.

Subd. 4. [ASSISTANCE TO DISTRICTS.] The department of education shall:

- (a) provide technical assistance to districts for maintenance and evaluation of prevention programs, for aftercare support programs and for improved relationships with community agencies,*
- (b) provide inservice programs emphasizing identified needs of the districts, and*
- (c) collect information from districts about prevention, awareness, identification, referral, and aftercare support programs.*

Subd. 5. [PAYMENT SCHEDULE.] For the 1981-1982 school year, the state shall pay to each school district 100 percent of its chemical use program

aid by November 1 of that school year. Beginning in the 1982-1983 school year, and each year thereafter, the state shall pay to each school district 85 percent of its chemical use program aid by November 1 of that school year. The final aid distribution to the district shall be made by November 1 of the following school year.

Sec. 23. Minnesota Statutes 1980, Section 124.247, Subdivision 3, is amended to read:

Subd. 3. [AID.] A district which establishes a program for gifted and talented students shall receive for the purpose of this program an amount equal to ~~\$30~~ \$16.25, in the 1981-1982 school year, and \$17.50 in the 1982-1983 school year, times the number of gifted and talented students in the district. No more than ~~2-1/2~~ 5 percent of the students enrolled in the district shall be counted as gifted and talented for the purpose of aid computations pursuant to this subdivision. No more than five percent of the moneys received by a district pursuant to this subdivision may be expended for the purpose of administration of the program for gifted and talented students.

Sec. 24. [124.251] [STATE AID; IMPROVED LEARNING PROGRAMS.]

A district which establishes, pursuant to sections 6 to 12 of this article, a principal-teacher, counselor-teacher or career teacher component of an improved learning program approved by the state board of education, shall receive state aid for the purpose of this program in an amount equal to the salary and fringe benefits for the number of days each principal-teacher, counselor-teacher or career teacher works beyond the regular contract period. The daily rate paid shall be the contract rate including fringe benefits earned by the principal-teacher, counselor-teacher or career teacher during the year in which the application is submitted. The state board shall not approve applications or pay aids in excess of the state appropriation for this program. In addition, the board shall make an effort to distribute aid as equally as possible between rural, suburban and urban districts. In addition to other aids or moneys, a school district may use summer school foundation revenue to fund an improved learning program.

Sec. 25. Minnesota Statutes 1980, Section 124.562, is amended by adding a subdivision to read:

Subd. 2a. [CHEMICAL TREATMENT PROGRAMS.] *If a pupil is absent from school for the purpose of participating in a chemical abuse treatment program licensed by the state of Minnesota, he may request the school to keep him on the roll in the educational program in which he is enrolled. Upon the pupil's request the school shall keep him on the roll for the educational program in which he is enrolled and that pupil shall be counted in average daily membership, pursuant to section 124.562, subdivision 2, during the period in which he is participating in a treatment program; provided he shall be counted for a period not to exceed 30 consecutive school days. When this pupil returns to school, the school may count additional hours for membership, not to exceed the number of hours for which he was counted while participating in the treatment program or the number of hours per day the pupil is enrolled times 30, whichever is less, if additional hours are needed for the pupil to complete the educational program.*

Sec. 26. Minnesota Statutes 1980, Section 124.646, Subdivision 1, is

amended to read:

Subdivision 1. [AID COMPUTATION.] (a) For the ~~1979-1980~~ 1981-1982 school year, school districts *participating in the national school lunch program* shall be paid by the state in the amount of ~~4-9/10~~ 5.5 cents for each full paid student ~~type "A"~~ lunch served to students in the district. (b) For the ~~1980-1981~~ 1982-1983 school year, school districts *participating in the national school lunch program* shall be paid by the state in the amount of ~~5-3/10~~ 5.9 cents for each full paid student ~~type "A"~~ lunch served to students in the district.

Sec. 27. Minnesota Statutes 1980, Section 134.35, Subdivision 1, is amended to read:

Subdivision 1. [GRANT APPLICATION.] Any regional public library system which qualifies according to the provisions of section 134.34 may apply for an annual grant for regional library basic system support. The amount of each grant for ~~fiscal year 1980 and each fiscal year thereafter~~ shall be calculated as provided in this section.

Sec. 28. Minnesota Statutes 1980, Section 134.351, is amended by adding a subdivision to read:

Subd. 5. [PROPERTY.] All property given, granted, conveyed, donated, devised or bequeathed to, or otherwise acquired by any multi-county multi-type library system board shall vest in, and be held in the name of, the multi-county multi-type library system board. Any conveyance, grant, donation, devise, bequest, or gift made to, or in the name of, any multi-county multi-type library system shall be deemed to have been made directly to the multi-county multi-type library system board.

Sec. 29. Minnesota Statutes 1980, Section 134.351, is amended by adding a subdivision to read:

Subd. 6. [RATIFICATION.] All property heretofore given, granted, conveyed, donated, devised, bequeathed to, or otherwise acquired by any multi-county multi-type library system board is hereby validated, ratified and confirmed as the property of the board.

Sec. 30. Minnesota Statutes 1980, Section 134.351, Subdivision 5, is amended to read:

Subd. 5 7. [REPORTS.] Each multi-county, multi-type system receiving a grant pursuant to section 134.352 or 134.353 shall provide an annual progress report to the department of education. The department shall report before November 15 of each year to the legislature on all projects funded under sections 134.352 and 134.353.

Sec. 31. Minnesota Statutes 1980, Section 134.36, is amended to read:

134.36 [RULES.]

The state board of education shall promulgate rules as necessary for implementation of any provision of ~~Laws 1978, Chapter 546 sections 134.30 to 134.353. Temporary rules may be adopted to implement Laws 1978, Chapter 546 in compliance with the provisions of section 15.0412, subdivision 5, except that these rules may be effective for up to 300 days.~~

Sec. 32. Minnesota Statutes 1980, Section 275.125, Subdivision 11a, is

amended to read:

Subd. 11a. [CAPITAL EXPENDITURE LEVY.] (a) In 1979, a school district may levy an amount not to exceed the amount equal to \$80 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 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 clause in 1979 shall exceed ten 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) (a) In 1980 and Each year thereafter, a school district may levy an amount not to exceed the amount equal to \$90 per pupil unit, or, \$95 per pupil unit 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, \$95 per pupil unit. In 1980 and each year thereafter, No levy under this clause shall exceed 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.

(e) (b) The proceeds of the tax may be used only to acquire land, to equip and reequip re-equip 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 section 123.36, subdivision 10.

(4) (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.

(e) (d) The board shall establish a fund in which the proceeds of this tax shall be accumulated until expended.

(f) The proceeds of the tax shall not be used for custodial or other maintenance services.

(f) Each year, subject to the seven mill limitation of clause (a) of this subdivision, a school district which operates an approved secondary vocational education program or an approved senior secondary industrial arts program may levy an additional amount equal to \$5 per pupil unit for capital expenditures for equipment for these programs.

(g) For purposes of computing allowable levies under this subdivision and section 33 of this article, pupil units shall include those units identified in section 124.17, subdivision 1, clauses (1) and (2), and 98.5 percent of the units identified in Minnesota Statutes 1980, Section 124.17, Subdivision 1, Clauses (4) and (5) for 1980-1981.

Sec. 33. Minnesota Statutes 1980, Section 275.125, is amended by adding a subdivision to read:

Subd. 11b. [SPECIAL PURPOSE CAPITAL EXPENDITURE LEVY.] In 1981 and each year thereafter, in addition to the levy authorized in subdivision 11a, a school district may levy an amount not to exceed the amount equal to \$25 per pupil unit. No levy under this clause shall exceed two mills times the adjusted assessed valuation of the property in the district for the preceding year. The proceeds of the tax shall be placed in the district's capital expenditure fund and may be used only for the following:

(a) for energy audits on district owned buildings conducted pursuant to chapter 116H, and for funding those energy conservation and renewable energy measures which the energy audits indicate will reduce the use of nonrenewable sources of energy to the extent that the projected energy cost savings will amortize the cost of the conservation measures within a period of ten years or less;

(b) for capital expenditures for the purpose of reducing or eliminating barriers to or increasing access to school facilities by handicapped persons;

(c) for capital expenditures to bring district facilities into compliance with the uniform fire code adopted pursuant to Chapter 299F.

Sec. 34. Minnesota Statutes 1980, Section 375.335, is amended by adding a subdivision to read:

Subd. 4. [PROPERTY.] All property given, granted, conveyed, donated, devised or bequeathed to, or otherwise acquired by any regional library board or any regional public library system board however created shall vest in, and be held in the name of, the regional library board or regional public library system board. Any conveyance, grant, donation, devise, bequest, or gift made to, or in the name of, any regional library or public library system shall be deemed to have been made directly to the regional public library system board.

Sec. 35. Minnesota Statutes 1980, Section 375.335, is amended by adding a subdivision to read:

Subd. 5. [RATIFICATION.] All property heretofore given, granted, conveyed, donated, devised, bequeathed to, or otherwise acquired by any regional library board or any regional public library system board however created is hereby validated, ratified and confirmed as the property of the board.

Sec. 36. Minnesota Statutes 1980, Section 375.335, Subdivision 4, is amended to read:

Subd. 4 6. [RATIFICATION.] Any multicounty regional library heretofore created, and the agreements creating them, are hereby validated, ratified, and confirmed and the benefits of subdivisions 1 to 4 6 shall hereafter apply to ~~said~~ these libraries.

Sec. 37. [INDEPENDENT SCHOOL DISTRICT NO. 256; MAINTENANCE LEVY ADJUSTMENT.]

In 1981 only, Independent School District No. 256, Red Wing, is authorized to levy for school maintenance purposes an amount not to exceed \$620,000 in addition to all other authorized levies. The purpose of this levy is to provide the district with an amount of funds equal to the aid entitlements which were included in the amount by which its 1978 payable 1979 permitted maintenance levy exceeded its actual maintenance levy in that year.

Sec. 38. [GRANTS FOR COOPERATIVE AGREEMENTS, ALTERNATIVE EDUCATIONAL DELIVERY SYSTEMS AND LOW-POWER TELEVISION.]

Subdivision 1. [POLICY:] The legislature finds that small rural secondary schools, because of fiscal constraints, are experiencing a decrease in course offerings, uneconomical class sizes, restricted student access to courses, and the necessity for teachers to teach in subject areas for which they are not licensed. Therefore it is the intention of the legislature to encourage the use of available options by small rural districts in order to provide a more equitable balance in programs available to rural and urban secondary pupils. These options include consolidation, pairing and alternative educational delivery systems which utilize shared services, and applications of technology such as two-way, low-power television.

Subd. 2. [COOPERATIVE AGREEMENT GRANTS.] The council on quality education, in cooperation with the department of education, may make grants to school districts for the study, evaluation, and start-up costs of an agreement which provides for the discontinuance by a district of grades 7 through 12 or portions of those grades and the instruction in another district of the pupils in the discontinued grades or portions of grades. Application for a grant pursuant to this subdivision shall be made in a manner prescribed by the council and the agreements shall comply with the requirements set forth in Minnesota Statutes 1980, Section 122.85.

Subd. 3. [ALTERNATIVE EDUCATIONAL DELIVERY SYSTEM GRANTS.]

(a) The council on quality education shall make a grant to Independent School District No. 362, Littlefork, to serve as a demonstration model in the development and implementation of an alternative educational delivery system. The council shall provide supervision and coordination in the development and implementation of the demonstration model and in disseminating information about the model to other districts. Application for a grant pursuant to this subdivision shall be made in a manner prescribed by the council.

(b) Alternative educational delivery systems shall include but are not limited to:

- (1) computer-assisted instruction;
- (2) extension courses offered by correspondence;
- (3) videotape courses; and
- (4) audiovisual courses.

(c) The goals of alternative educational delivery systems shall include but not be limited to:

- (1) expansion of curriculum in areas not otherwise available;
- (2) elimination of traditional classes of uneconomic or insufficient size without a reduction of learning opportunities;
- (3) provision of remedial instruction in basic skills.

(d) A grant made pursuant to this subdivision is to be used solely for development, implementation, and evaluation of the model, and to disseminate information about the model to other school districts in the state. The legislature does not intend that this grant is to be used for start-up costs of alternative educational delivery systems in other districts, nor does it intend to fund such start-up costs in the future.

Subd. 4. [LOW-POWER TELEVISION SYSTEM GRANT.]

(a) The council on quality education shall make a grant to Independent School District No. 790, Eagle Bend, to serve as a demonstration model in the development and implementation of a two-way, low-power television transmission system. The council shall provide supervision and coordination in the development, implementation, and evaluation of the model and in disseminating information about the model to other districts. Applications for this grant shall be made in a manner prescribed by this council.

(b) This grant is to be used solely for the development, implementation, and evaluation of the model and for disseminating information about the model to other school districts in the state. The legislature does not intend that this grant is to be used for start-up costs of two-way, low-power television transmission systems in other school districts nor does the legislature intend to fund such start-up costs in the future.

Subd. 5. [SOURCES OF FUNDS.] Districts receiving grants pursuant to this section may receive funds from the federal government and from private organizations for the purposes of this section.

Subd. 6. [SEPARATE FUND ACCOUNTS.] A district which is awarded a grant pursuant to this section shall maintain separate revenue and expenditure accounts which accurately reflect all revenues and expenditures. The moneys shall be spent only for the purposes of subdivision 2, 3, or 4.

Subd. 7. [LOW-POWER TRANSMISSION TELEVISION STUDY.] The council on quality education shall award one or more contracts to qualified consultants or legal firms specializing in securing broadcast and telecast licenses from the federal communications commission. The consultant or firm shall: (a) survey the need for low-power television transmission sites in the state; (b) write a report which recommends placement of low-power television transmission sites to provide maximum educational benefits to small rural school districts and gives detailed estimates of costs for implementing the sites,

including data concerning local personnel, training, and equipment; (c) evaluate the project in Independent School District No. 790, Communicasting for Educational Purposes; and (d) prepare and submit all necessary license applications to the federal communications commission on behalf of local education agencies recommended as transmission sites.

Subd. 8. [REPORT.] The council on quality education shall report to the education committees of the house of representatives and the senate by January 15, 1983 on the use and effectiveness of grants made pursuant to this section.

Subd. 9. [CONSTRUCTION.] Although the legislature intends that the grants made pursuant to this section are to be used for development of secondary educational models, the provisions of this section shall not be construed to prohibit these programs from also being utilized for elementary and adult education purposes.

Sec. 39. Laws 1973, Chapter 683, Section 26, Subdivision 1, is amended to read:

Sec. 26. [EXPERIMENTAL SCHOOL.]

Subdivision 1. It is the intention of the legislature of the state of Minnesota to establish an experimental educational program *for pupils in kindergarten through eighth grade*, to be situated in Independent School District No. 309 on the land comprising former Independent School District No. 25, which was dissolved and attached to Independent School District No. 309 by an order of the county board of Becker county dated June 23, 1970, which is on file and of record in the office of the county auditor of Becker county. ~~Such~~ This experimental school shall be established as set forth in this section.

Sec. 40. Laws 1973, Chapter 683, Section 26, is amended by adding a subdivision to read:

Subd. 2a. [SCHOOL ADMINISTRATION; TRANSFER OF AUTHORITY.] The care, management, and control of the experimental school in Independent School District No. 309 is transferred from the Indian education committee as defined in subdivision 2, to the White Earth reservation business committee. The Indian education committee shall serve in an advisory capacity to the White Earth reservation business committee. For purposes of this section, "committee" means the White Earth reservation business committee. The White Earth reservation business committee is eligible to receive federal aid to Indians pursuant to section 124.64. Notwithstanding any law to the contrary, the experimental school shall be considered a public school.

Sec. 41. Laws 1973, Chapter 683, Section 26, is amended by adding a subdivision to read:

Subd. 13a. Any kindergarten through eighth grade pupil residing within the defined boundaries of the experimental school area as set out in subdivision 1 shall be considered a resident pupil of the experimental school area, as if the experimental school area were a school district, for purposes of Minnesota Statutes, Chapter 120.

Sec. 42. [EXPERIMENTAL SCHOOL EXPIRATION DATE.]

Laws 1973, Chapter 683, Section 26, Subdivision 17, as amended by Laws 1975, Chapter 432, Section 88, as amended by Laws 1977, Chapter 447,

Article VII, Section 28, is amended to read:

Subd. 17. The provisions of this section shall expire July ~~1981~~ 1, 1985. At any time the experimental school may be terminated upon unanimous vote of the officers of the committee and 30 days notice to the board of District No. 309, whereupon the board of District No. 309 shall resume the care management and control of the entire district on July 1 following. Prior to December 1 of each year the committee shall submit to the legislature a report of the experimental school established by this section. Such report shall document the success or failure of the experimental school.

Sec. 43. [ELECTION.]

Subdivision 1. Sections 40, 41 and 42 are effective only upon their approval by a majority of the qualified voters who reside on the land comprising former Independent School District No. 25, as defined in Laws 1973, Chapter 683, Section 26, Subdivision 1, voting on the question at an election called for that purpose by the Indian education committee, as defined in Laws 1973, Chapter 683, Section 26, Subdivision 2, according to the procedures specified in Minnesota Statutes, Section 123.32, Subdivision 22.

Subd. 2. [BALLOT QUESTION.] At the election on the question of approval of sections 40, 41 and 42, the question submitted to the voters shall be:

"Shall care, management and operation of the Pine Point Experimental School be transferred from the Indian Education Committee to the White Earth Reservation Business Committee with all of the kindergarten through eighth grade residents of former Independent School District No. 25 (Pine Point) required to attend the experimental school?"

Yes _____

No _____

The Indian education committee shall hold this election prior to June 25, 1981, at the Pine Point School. The Indian education committee shall inform the residents of former Independent School District No. 25 (Pine Point) of the election and of the options available. The Indian education committee shall also publish notice of the election in the legal newspapers in the county seats of Becker and Hubbard counties.

Sec. 44. [ARTS REPORT.]

The department of education shall submit a report on arts education to the education committees of the senate and house of representatives by January 1, 1983. The report shall include:

(1) The status and implementation of the Minnesota plan for arts in education, and

(2) The availability of learning opportunities in the arts for elementary and secondary students.

Sec. 45. [REPEALER.] *Minnesota Statutes 1980, Section 3.9279, Subdivision 13, and Laws 1973, Chapter 683, Section 26, Subdivision 13, are repealed.*

Sec. 46. [APPROPRIATION.]

Subdivision 1. There is appropriated from the general fund to the department of education the sums indicated in this section for the fiscal years ending June 30 in the years designated.

Subd. 2. [HEALTH AND DEVELOPMENTAL SCREENING PROGRAMS.] For health and developmental screening programs pursuant to sections 123.701 to 123.705, there is appropriated:

\$1,191,600.....1982,

\$1,075,000.....1983.

Subd. 3. [ABATEMENT AID.] For abatement aid pursuant to section 124.214, subdivision 2, there is appropriated:

\$2,751,000.....1982,

\$2,988,000.....1983.

Subd. 4. [EMERGENCY AID.] For emergency aid pursuant to section 124.24, there is appropriated:

\$50,000.....1982.

Any unexpended balance remaining from the appropriation in this subdivision shall not cancel but shall be available for the second year of the biennium.

Subd. 5. [CAPITAL EXPENDITURE EQUALIZATION AID.] For capital expenditure equalization aid pursuant to section 124.245, subdivision 1, there is appropriated:

\$734,500.....1982,

\$376,000.....1983.

Any unexpended balance remaining from the appropriation in this subdivision for 1983 may be expended for special purpose capital expenditure equalization aid pursuant to section 19 of this article.

Subd. 6. [SPECIAL PURPOSE CAPITAL EXPENDITURE EQUALIZATION AID.] For special purpose capital expenditure equalization aid pursuant to section 19 of this article, there is appropriated:

\$ 58,300.....1983.

Any unexpended balance remaining from the appropriation in this subdivision may be expended in 1983 for capital expenditure equalization aid pursuant to section 124.245, subdivision 1.

Subd. 7. [EDUCATIONAL COOPERATIVE SERVICE UNITS.] For educational cooperative service units, there is appropriated:

\$664,950.....1982,

\$769,450.....1983.

Funds from this appropriation shall be transmitted to ECSU boards of directors for general operations in the amount of \$60,450 per ECSU as defined in section 123.58 in fiscal year 1982 and \$69,950 per ECSU in fiscal year 1983; provided however that the ECSU whose boundaries coincide with the boundaries of development region 11 and the ECSU whose boundaries encompass development regions six and eight shall receive \$120,900 in fiscal

year 1982 and \$139,900 in fiscal year 1983 for general operations.

Subd. 8. [SCHOOL LUNCH AID.] For school lunch aid pursuant to section 124.646 there is appropriated:

\$3,838,200.....1982,

\$4,085,500.....1983.

Any unexpended balance remaining from the appropriations in this subdivision may be expended, in addition to the amounts appropriated in subdivision 9 of this section, for food storage and transportation costs for U.S.D.A. donated commodities.

Subd. 9. [FOOD STORAGE AND TRANSPORTATION.] For food storage and transportation costs for U.S.D.A. donated commodities there is appropriated:

\$765,300.....1982,

\$880,100.....1983.

Subd. 10. [GIFTED AND TALENTED STUDENTS.] For programs for the gifted and talented pursuant to section 124.247, there is appropriated:

\$588,300.....1982,

\$543,660.....1983.

Subd. 11. [ALTERNATIVE GRANTS.] For grants made pursuant to subdivisions 2, 3, 4, and 7 of section 38 of this article, there is appropriated:

\$250,000.....1982,

\$150,000.....1983.

Any unexpended balance remaining from the appropriation in this subdivision shall not cancel and shall be available for the second year of the biennium.

Subd. 12. [COUNCIL ON QUALITY EDUCATION; VENTURE FUND GRANTS.] For the council on quality education venture fund grants pursuant to sections 3.925 and 3.926, there is appropriated:

\$600,000.....1982,

\$510,000.....1983.

Any unexpended balance remaining from the appropriations in this subdivision for 1982 shall not cancel and shall be available for the second year of the biennium.

Subd. 13. [EARLY CHILDHOOD AND FAMILY EDUCATION.] For early childhood and family education programs pursuant to section 3.9279, there is appropriated:

\$1,500,000.....1982,

\$1,275,000.....1983.

Any unexpended balance remaining from the appropriations in this subdivision for 1982 shall not cancel and shall be available for the second year of the biennium.

Subd. 14. [BASIC SUPPORT GRANTS.] For grants pursuant to sections 134.32 to 134.35 and 134.36 for the provision of library services, there is appropriated:

\$3,943,200.....1982,

\$3,639,955.....1983.

Subd. 15. [MULTI-COUNTY LIBRARY SYSTEMS.] For grants pursuant to sections 134.352 and 134.353 to multi-county, multi-type library systems, there is appropriated:

\$182,500.....1982,

\$155,125.....1983.

Subd. 16. [NONPUBLIC AIDS.] For programs for nonpublic educational aid pursuant to sections 123.931 to 123.937, there is appropriated:

\$4,109,800.....1982,

\$3,848,460.....1983.

Subd. 17. [APPROPRIATION; INDIAN EDUCATION.] (a) For certain Indian education programs, there is appropriated:

\$150,000.....1982,

\$150,000.....1983.

These appropriations are available for expenditure with the approval of the commissioner of education.

The commissioner shall not approve the payment of any amount to a school district pursuant to this subdivision unless that school district is in compliance with all applicable laws of this state.

Up to the following amounts of this appropriation may be distributed to the following school districts: \$47,110 to Independent School District No. 309-Pine Point School; \$8,290 to Independent School District No. 166; \$12,815 to Independent School District No. 432; \$12,060 to Independent School District No. 435; \$36,180 to Independent School District No. 707; and \$33,545 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.

These appropriations are available August 15 of the applicable school year, but only if there will not be available for the districts enumerated in this subdivision for the applicable school year any operation support funds from the federal bureau of Indian affairs pursuant to the Johnson-O'Malley Act, Public Law 73-167 or 25 Code of Federal Regulations 273.31, or equivalent money from the same or another source.

(b) Before a district can receive moneys pursuant to this subdivision, the district must submit to the commissioner of education evidence that it has:

(i) Complied with the uniform financial accounting and reporting standards act, sections 121.90 to 121.917. For each school year, compliance with section 121.908, subdivision 3a, shall require the school district to prepare one budget including the amount available to the district pursuant to this subdivi-

sion and one budget which does not include these moneys. The budget of that school district for the 1983-84 school year prepared according to section 121.908, subdivision 3a, shall be submitted to the commissioner of education at the same time as 1982-1983 budgets and shall not include any moneys appropriated in this subdivision;

(ii) Conducted a special education needs assessment and prepared a proposed service delivery plan according to Minnesota Statutes, Sections 120.03 and 120.17; Public Law 94-142, an act of the 94th Congress of the United States cited as the "Education for All Handicapped Children Act of 1975"; and applicable state board of education rules; and

(iii) Compiled accurate daily pupil attendance records.

(c) Prior to approving payment of any amount to a school district pursuant to this subdivision, the commissioner shall review and evaluate each affected district's compliance with clause (b) and any other applicable laws, and each affected district's need for the moneys. Each affected district's net unappropriated fund balance in all operating funds as of June 30 of the previous school year shall be taken into consideration.

Subd. 18. [PINE POINT ELECTION.] For the purpose of reimbursing the Indian Education Committee's costs for holding the election required in section 43 of this article, there is appropriated:

\$1,500.....1982.

The department shall pay to the Indian Education Committee an amount equal to the actual cost of holding the election pursuant to section 43 of this article, but in no event shall this payment exceed \$1,500.

Subd. 19. [IMPROVED LEARNING PROGRAMS.] For improved learning programs with principal-teacher, career teacher or counselor-teacher components, there is appropriated:

\$300,000.....1982.

Any amount of the appropriation remaining at the end of fiscal year 1982 shall not cancel and shall be available in fiscal year 1983.

Subd. 20. [CHEMICAL USE PROGRAMS.] For aid for chemical dependency programs authorized pursuant to section 22 of this article there is appropriated:

\$988,400.....1982,

\$826,965.....1983.

Subd. 21. [CANCELLATION AND PRORATION.] Except as provided in subdivisions 4, 8, 11, 12, 13 and 19, any unexpended balance remaining from the appropriations in this section for 1982 shall cancel and shall not be available for the second year of the biennium. Except as provided in subdivisions 5 and 6, none of the amounts appropriated in this section shall be expended for a purpose other than the purpose indicated. If the appropriation amount attributable to either year for the purpose indicated is insufficient, the aid for that year shall be prorated among all qualifying districts and the state shall not be obligated for any amount in excess of the appropriations in this section for these purposes.

Subd. 22. [PAYMENT SCHEDULE.] One hundred percent of districts' aid entitlements for fiscal year 1982 under the programs for which funds are appropriated in subdivisions 2, 10, 12, 13, 14, 15 and 16, shall be paid in fiscal year 1982. Eighty-five percent of districts' aid entitlements for fiscal year 1983 under the programs for which funds are appropriated in subdivisions 2, 10, 12, 13, 14, 15 and 16, shall be paid in fiscal year 1983 and the remainder of districts' aid entitlements under these programs shall be paid before October 31, 1984.

Sec. 47. [EFFECTIVE DATES.]

Subdivision 1. Sections 13, 28, 29, 34, 35 and 43 of this article shall be effective the day following final enactment.

Subd. 2. Section 13, clause (5) shall apply to the proceeds of the sale of any building after June 30, 1980, and any district affected by this provision which placed sale proceeds in its debt retirement fund may transfer the appropriate amount of the proceeds from the debt retirement fund to the capital expenditure fund.

Subd. 3. Sections 40, 41 and 42 shall be effective on the day the Indian education committee complies with Minnesota Statutes, Section 645.021, Subdivision 2.

ARTICLE VII

MISCELLANEOUS

Section 1. Minnesota Statutes 1980, Section 116H.126, Subdivision 2, is amended to read:

Subd. 2. [MINI-AUDITS AND MAXI-AUDITS.] On or before July 1, 1980, based upon the analysis of the building energy reports which school districts were required by law to submit by December 31, 1979, the director shall indicate to each school district those buildings upon which a mini-audit, maxi-audit, or both, shall be performed. The audit results shall be recorded on a form furnished by the director and filed with the director by December 31, 1982.

Sec. 2. Minnesota Statutes 1980, Section 116H.126, Subdivision 4, is amended to read:

Subd. 4. [CERTIFICATION OF AUDITORS.] The director may certify persons to perform mini-audits and maxi-audits, and to complete the building energy reports.

Sec. 3. Minnesota Statutes 1980, Section 116H.126, Subdivision 5, is amended to read:

Subd. 5. [ACCEPTANCE OF EQUIVALENT ENERGY SURVEYS.] The director may accept the results of an equivalent energy survey in place of the building energy report and audits required under this section.

Sec. 4. Minnesota Statutes 1980, Section 120.0751, Subdivision 5, is amended to read:

Subd. 5. The department of education shall provide the forms required by subdivision 2. These forms shall be available on or before July 31, 1980. The state board shall consider any application received by it on August 1, 1980, or

~~thereafter.~~ The state board of education shall adopt the procedures necessary to implement this section.

Sec. 5. Minnesota Statutes 1980, Section 120.78, Subdivision 1, is amended to read:

120.78 [FUEL CONSERVATION CONSUMPTION REPORTS.]

Subdivision 1. ~~On or before December 31~~ *By August 15* of each year each school district shall submit to the commissioner of education, in ~~such the~~ manner and upon ~~such the~~ forms as ~~he the commissioner~~ shall furnish, a comprehensive report of the energy consumed by the district during the previous school year ending June 30. The report shall include: ~~(1) a building energy report, as defined in section 116H.02, on each building and other structure maintained by the district;~~ (2) the amount of fuel used to transport students to and from school and between schools; and ~~(3) such any other information as the commissioner may require related to the consumption of energy.~~ The report shall be developed by the commissioner in consultation with the director of the energy agency.

Sec. 6. Minnesota Statutes 1980, Section 121.90, is amended to read:

121.90 [DEFINITIONS.]

~~"Receivables", "liabilities", "fund balances", "revenues" and "expenditures" have the meanings specified in the uniform financial accounting and reporting standards for Minnesota school districts unless otherwise provided by law. Unless the context clearly indicates otherwise, the words, terms and phrases used in sections 121.901 to 121.917 have the meanings given to them in the manual for the uniform financial accounting and reporting system for Minnesota.~~

Sec. 7. Minnesota Statutes 1980, Section 121.904, is amended by adding a subdivision to read:

Subd. 11c. Payments received pursuant to section 477A.15 shall be recognized as revenue and recorded as a receivable in the fiscal year prior to receipt.

Sec. 8. Minnesota Statutes 1980, Section 121.906, Subdivision 2, is amended to read:

Subd. 2. [RECOGNITION OF EXPENDITURES AND LIABILITIES.] There shall be fiscal year-end recognition of expenditures and the related offsetting liabilities recorded in each fund in accordance with the uniform financial accounting and reporting standards for Minnesota school districts. *Encumbrances outstanding at the end of the fiscal year do not constitute expenditures or liabilities.*

Sec. 9. Minnesota Statutes 1980, Section 121.906, Subdivision 3, is amended to read:

Subd. 3. [PURCHASE ORDERS OTHER THAN INVENTORY.] Purchase orders, itemized in detail, for other than inventory supply items, which are issued to outside vendors and based on firm prices shall be recorded as expenditures in the fiscal year ~~designated at the time of the issuance of the order in which the liability is incurred.~~

Sec. 10. Minnesota Statutes 1980, Section 121.912, Subdivision 1, is

amended to read:

Subdivision 1. No school district shall permanently transfer money from an operating fund to a nonoperating fund except as provided in this subdivision. Permanent transfers may be made from an operating fund to any other fund to correct for prior fiscal years' errors discovered after the books have been closed for that year. Permanent transfers may be made from the general fund to eliminate deficits in another fund when that other fund is being discontinued. When a district discontinues operation of a district-owned bus fleet or a substantial portion of a fleet, permanent transfers may be made from the fund balance account entitled "pupil transportation fund appropriated for bus purchases" to the capital expenditure fund, with the approval of the commissioner; ~~provided~~. The levy authorized pursuant to section 275.125, subdivision 11a, shall be reduced by an amount equal to the amount transferred. Permanent transfers may be made from the general fund to the capital expenditure fund of a post-secondary vocational-technical school in the amount and for the purposes authorized by the state board for vocational education in approving the school's budget pursuant to section 124.561; ~~provided~~. The state board shall not approve any permanent transfer for the purpose of an acquisition or betterment of lands or buildings or a capital improvement which requires the expenditure of an amount equal to or greater than \$50,000, which changes the perimeter walls of an existing facility, which adds more than 1,000 square feet to a post-secondary vocational facility, or which requires the issuance of school district bonds; ~~provided further~~. The state board shall not approve the permanent transfer for any other purpose of any amount which exceeds \$150,000.

Sec. 11. Minnesota Statutes 1980, Section 121.917, Subdivision 4, is amended to read:

Subd. 4. (1) If the net negative unappropriated fund balance in all the funds of a school district, other than statutory operating debt pursuant to section 121.914, capital expenditure, building construction, debt service, trust and agency, and post-secondary vocational-technical education funds, calculated in accordance with the uniform financial accounting and reporting standards for Minnesota school districts, as of June 30, 1980, and each year thereafter, is more than 2-1/2 percent of the year's expenditure amount, the district shall, prior to September 15, submit a special operating plan to reduce the district's deficit expenditures to the commissioner of education for his approval.

Notwithstanding any other law to the contrary, a district submitting a special operating plan to the commissioner under this clause which is disapproved by the commissioner shall not receive any aid pursuant to chapter 124 until a special operating plan of the district is so approved.

(2) A district shall receive aids pending the approval of its special operating plan under clause (1). A district which complies with its approved operating plan shall receive aids as long as the district continues to comply with the approved operating plan.

Sec. 12. Minnesota Statutes 1980, Section 122.22, Subdivision 3, is amended to read:

Subd. 3. A resolution adopted pursuant to subdivision 2(a) shall contain findings of necessary jurisdictional facts and shall set a date for hearing. *The*

hearing shall be not less than ten 20 nor more than 60 days from the date of the resolution.

Sec. 13. Minnesota Statutes 1980, Section 122.22, Subdivision 4, is amended to read:

Subd. 4. A petition executed pursuant to subdivision 2(b) shall be filed with the auditor ~~and~~. *It shall contain the following:*

(a) A statement that petitioners desire proceedings instituted leading to dissolution of the district and other provisions made for the education of the inhabitants of the territory and that petitioners are eligible voters, as defined in section 123.32, subdivision 1a, of the district-;

(b) An identification of the district-; *and*

(c) The reasons supporting the petition which may include recommendations as to disposition of territory to be dissolved. The recommendations are advisory in nature only and are not binding on any petitioners or county board for any purpose.

(d) The persons circulating the petition shall attach their affidavit swearing or affirming that the persons executing the petition are eligible voters, as defined in section 123.32, subdivision 1a, of the district and that they signed in the presence of one of the circulators.

(e) The auditor shall present the petition to the county board at its next meeting. At that meeting, the county board shall determine a date for a hearing. *The hearing shall be not less than ten 20 nor more than 60 days from the date of that meeting.*

Sec. 14. Minnesota Statutes 1980, Section 122.22, Subdivision 5, is amended to read:

Subd. 5. Certification executed pursuant to subdivision 2(c) shall be filed with the auditor ~~and~~. *It shall contain the following:*

(a) A copy of the resolution initiating the election-;

(b) A copy of the notice of election with an affidavit of publication or posting-;

(c) The question voted on-;

(d) The results of the election by number of votes cast for and number against the question-; *and*

(e) If an advisory ballot is taken on annexation, the question voted on and number of ballots cast for and against the proposal.

The auditor shall present the certification to the county board at its next meeting. At that meeting, the county board shall determine a date for a hearing. *The hearing shall be not less than ten 20 nor more than 60 days from the date of that meeting.*

Sec. 15. Minnesota Statutes 1980, Section 122.22, is amended by adding a subdivision to read:

Subd. 7a. *Before the day of a hearing ordered pursuant to this section, each district adjoining the district proposed for dissolution shall provide the fol-*

lowing information and resolution to the county auditor of the county containing the greatest land area of the district proposed for dissolution:

(a) The outstanding bonded debt of the district;

(b) The assessed valuation of the district;

(c) The most current school tax rates for the district, including any referendum, discretionary, or other optional levies being assessed currently and the expected duration of the levies;

(d) A resolution passed by the school board of the district stating that if taxable property of the dissolved district is attached to it, one of the following requirements is imposed: (1) the taxable property of the dissolving district which is attached to its district shall not be liable for the bonded debt of the district which existed as of the time of the attachment; (2) the taxable property of the dissolving district which is attached to its district shall be liable for the payment of the bonded debt of the district which existed as of the time of the attachment in the proportion which the assessed valuation of that part of the dissolving district which is included in the newly enlarged district bears to the assessed valuation of the entire district as of the time of attachment; or (3) the taxable property of the dissolving district which is attached to its district shall be liable for some specified portion of the amount that could be requested pursuant to subclause (2).

An apportionment pursuant to subclause (2) or (3) shall be made by the county auditor of the county containing the greatest land area of the district proposed for transfer.

An apportionment of bonded indebtedness pursuant to subclause (2) or (3) shall not relieve any property from any tax liability for payment of any bonded obligation, but taxable property in a district enlarged pursuant to this section becomes primarily liable for the payment of the bonded debt to the extent of the proportion stated.

Sec. 16. Minnesota Statutes 1980, Section 122.22, Subdivision 8, is amended to read:

Subd. 8. Within 90 days of the date set for the original hearing or within 30 days of the termination of a consolidation proceeding which stays the order under subdivision 7, the county board may issue its order:

(a) Dismissing the proceedings; or

(b) ~~Interlocutory in character, proposing~~ Providing for the dissolution of the district and the annexation of the territory to adjoining districts, or the entire district as a unit may be attached to and become part of a district which maintains a secondary school located within the same high school area; and if there is no intervening district maintaining a secondary school.

(c) If no order is issued within the limited time, the proceedings are dismissed.

If an order is issued pursuant to clause (b) the order is a final order, unless an election on the order is required pursuant to subdivision 11.

Sec. 17. Minnesota Statutes 1980, Section 122.22, Subdivision 9, is amended to read:

Subd. 9. An ~~interlocutory~~ order issued under subdivision 8, clause (b), shall contain the following:

(a) A statement that the ~~dissolution of the district is proposed~~ dissolved unless the results of an election held pursuant to subdivision 11 provide otherwise;

(b) A description, by words or plat or both showing ~~proposed~~ the disposition of territory in the district to be dissolved;

(c) The outstanding bonded debt of the district to be dissolved;

(d) A statement requiring the fulfillment of the requirements imposed by each adjoining district to which territory in the dissolving district is to be attached regarding the assumption of its outstanding pre-existing bonded indebtedness by any territory from the dissolving district which is attached to it;

(e) ~~A proposed~~ An effective date of for the order. The effective date shall be at least three months after the date of the order, and shall be July 1 of an odd-numbered year; and

(f) ~~Such~~ Other information as the county board may desire to include.

The auditor shall within ten days from its issuance serve a copy of the ~~interlocutory~~ order by mail upon the clerk of the district ~~proposed for dissolution to be dissolved~~ and upon the clerk of each district to which it is ~~proposed to attach any territory by~~ the order attaches any territory of the district to be dissolved and upon the auditor of each other county in which all or any part of the district ~~proposed for dissolution to be dissolved~~ or any district to which it is ~~proposed to attach~~ the order attaches territory lies, and upon the commissioner.

Sec. 18. Minnesota Statutes 1980, Section 122.22, Subdivision 11, is amended to read:

Subd. 11. If the proceedings were instituted by petition, under subdivision 2(b), or by election, under subdivision 2(c) and an advisory recommendation was made in the petition or an advisory ballot taken at the election, as to annexation requested, and if the ~~interlocutory~~ order makes a different provision for annexation than requested, then the ~~interlocutory~~ order must be approved by a majority of those voting on the question at an election to be called in the district to be dissolved, under subdivision 13. The question voted on shall be:

"Shall the ~~interlocutory~~ order of the county board of county, dated ~~proposing~~ providing for the dissolution of this school district be approved?"
Yes No

Sec. 19. Minnesota Statutes 1980, Section 122.22, Subdivision 13, is amended to read:

Subd. 13. If an election is required under subdivision 11 or 12, then upon before the expiration of the a 45 day period allowed in subdivision 10 or upon receipt of a demand for election on the question of debt assumption from each district to which it is proposed to attach territory, whichever is sooner after the date of the order for dissolution and attachment, the auditor shall forthwith set a date and call the election by filing a written order therefor, and serving a copy thereof personally or by mail on the clerk of the district in which the election is to be held, which. The date shall be not less than 15 nor more than 30 days after

the date of the order, upon which date a special election shall be held in the district proposed for dissolution. The auditor shall cause notice of ~~such the~~ election to be posted and published according to law. Upon receipt of ~~such the~~ notice, the board shall conduct the election.

Sec. 20. Minnesota Statutes 1980, Section 122.22, Subdivision 14, is amended to read:

Subd. 14. The results of ~~each the~~ election shall be certified by the board to the auditor. If a majority of all votes cast on ~~each the~~ question at the election approve the ~~interlocutory~~ order and favor the assumption of the debt, the ~~interlocutory~~ order becomes final and effective as of the date specified in the order. Each person served with the ~~interlocutory~~ order shall be so notified. *If a majority of all votes cast on the question disapprove the order, the proceedings are dismissed, and the order becomes void.*

Sec. 21. Minnesota Statutes 1980, Section 122.22, Subdivision 20, is amended to read:

Subd. 20. If the dissolved district is not divided by the order of dissolution and attachment, all of its current assets and liabilities, real and personal, and all its legally valid and enforceable claims and contract obligations shall pass to the district to which it is attached, except as provided in section 122.532. If the district to be dissolved is divided by the ~~interlocutory~~ order of dissolution and attachment, the commissioner shall, within 30 days after the ~~interlocutory~~ order is issued, issue ~~his an~~ order for the distribution of its current assets and liabilities, real and personal. If the commissioner's order provides for the transfer of an interest in real estate to a district, this order may also impose a dollar amount as a claim against that district in favor of other districts, and this claim shall be paid and enforced in the manner provided by law for the payment of judgments against a district. The obligations of districts to the teachers employed by the dissolved district shall be governed by the provisions of section 122.532.

Sec. 22. Minnesota Statutes 1980, Section 123.35, Subdivision 15, is amended to read:

Subd. 15. When payment of a claim cannot be deferred until the next board meeting without loss to the district of a discount privilege, *or when payment of a claim cannot be deferred until the next board meeting because of contract terms, purchase order terms, or a vendor's standard terms which are part of the contract*, the claim may be paid prior to board approval, providing that the board:

(a) Has delegated authority to the clerk or a designated business administrator to make a payment prior to board approval and

(b) Requires that payment made prior to board approval be acted upon at the next board meeting.

Payment prior to board approval shall not affect the right of the district or a taxpayer to challenge the validity of a claim.

Sec. 23. Minnesota Statutes 1980, Section 124.14, Subdivision 2, is amended to read:

Subd. 2. If the commissioner determines that the amount of state aid dis-

tributed to a school district is in error, he is authorized to adjust the amount of aid consistent with this subdivision. If the commissioner determines that the amount of aid is in excess of the school district's entitlement, he is authorized to recover the amount of the excess by any appropriate means. ~~including the reduction of~~ *Notwithstanding the fiscal years designated by the appropriation, the excess may be recovered by reducing future aid payments to the school district.* Notwithstanding any law to the contrary, if the aid reduced is not of the same type as that overpaid, the school district shall adjust all necessary financial accounts to properly reflect all revenues earned in accordance with the uniform financial accounting and reporting standards pursuant to sections 121.90 to 121.92. *Notwithstanding the fiscal years designated by the appropriation,* if the commissioner determines that the amount of an aid paid is less than the school district's entitlement, he is authorized to increase such aid from the current appropriation.

Sec. 24. Minnesota Statutes 1980, Section 124.14, Subdivision 3, is amended to read:

Subd. 3. The commissioner shall ~~require that the membership and pupil unit count of a minimum of 25 school districts be audited each fiscal year. The audits shall be conducted at random throughout the state with no prior notice to any district. At the time of each audit, the auditors shall also examine the appropriate factors that related to the determination of the authorized transportation costs and aids for that district. In districts where a post-secondary vocational-technical school is located, the audit shall include an audit of the membership of that school. Disparities between membership and pupil unit counts or transportation data reported by the school districts and those found by the auditors shall be reported to the commissioner who shall order an increase or reduction of foundation or transportation aids accordingly.~~ *establish procedures for conducting and shall conduct audits of school district records and files for the purpose of verifying school district pupil counts, levy limitations, and aid entitlements. The commissioner shall establish procedures for selecting and shall select districts to be audited. Disparities, if any, between pupil counts, levy limitations, or aid entitlements determined by audit of school district records and files and data reported by school districts in reports, claims and other documents shall be reviewed by the commissioner who shall order increases or decreases accordingly. Whenever possible, the commissioner shall audit at least 25 districts each year pursuant to this subdivision.*

Sec. 25. Minnesota Statutes 1980, Section 124.14, is amended by adding a subdivision to read:

Subd. 3a. If the commissioner audits fewer than 25 school districts in a fiscal year pursuant to subdivision 3, the commissioner shall report the reasons for the number audited to the following legislative committees: house education, house appropriations, senate education, and senate finance.

Sec. 26. Minnesota Statutes 1980, Section 124.14, Subdivision 4, is amended to read:

Subd. 4. A reduction of aid under this section may be appealed to the state board of education and its decision shall be final. Public schools shall at all times be open to the inspection of the state board, and the accounts and records of any district ~~are~~ *shall be* open to inspection by the state auditor, ~~or the state board, or the commissioner for the purpose of audits conducted under this~~

section.

Sec. 27. Laws 1967, Chapter 822, Section 1, as amended by Laws 1969, Chapter 945, Section 1; and Laws 1971, Chapter 145, Section 1, is amended to read:

Section 1. [HENNEPIN AND WRIGHT COUNTY SCHOOL DISTRICTS; SPECIAL EDUCATION AND DRIVER TRAINING.] Two or more of the independent school districts numbered 270, 271, 272, 273, ~~274, 275,~~ 276, 277, 278, 279, 280, 281, 282, 283, 284, and 286, Hennepin county, 879, Hennepin and Wright counties, and 883, Wright county, whether or not contiguous, may enter into agreements to accomplish jointly and cooperatively the acquisition, betterment, construction, maintenance, and operation of area vocational-technical schools and the provision of facilities for and instruction in special education, and driving of motor vehicles. Each school district which becomes a party to such an agreement is hereinafter referred to as a "participating school district." The agreement may provide for the exercise of such powers by the school board of one of the school districts on behalf of and for the benefit of other school districts, or by a joint school board created as set forth in this act. If the powers are to be carried out by one of the school districts, it shall in doing so have the same powers and duties and be subject to the same limitations as are herein provided for joint school boards.

Sec. 28. [APPLICABILITY.]

On its effective date, section 27 applies to Independent School District No. 270, Hopkins, and to the Joint School District No. 287, Suburban Hennepin, formed pursuant to Laws 1967, Chapter 822, as amended.

Sec. 29. [EXEMPTION FROM PUBLIC SALE.]

Notwithstanding Minnesota Statutes, Section 124.76, from the effective date of this section of this article until January 1, 1982, the requirements as to public sale of tax and aid anticipation certificates of indebtedness shall not apply to certificates which mature no later than six months after their date of issue. The interest rate on these certificates may be determined by direct negotiation.

Sec. 30. [DEFICIENCY REPORT.]

By January 1, 1982, the commissioner shall report to the education committees of the house of representatives and the senate on all program aid deficiencies in the biennium ending June 30, 1981, which were not funded. This report shall include the amount of deficiency for each aid, the rate at which the aid was prorated among qualifying districts, and any adverse effect on the education programs of the districts involved.

Sec. 31. [REPEALER.]

Minnesota Statutes 1980, Sections 116H.126, Subdivisions 1 and 7; 120.06, Subdivision 2; 120.78, Subdivision 2; 121.13; 121.49, Subdivision 2; 121.495, Subdivision 6; 122.22, Subdivisions 10, 12, 15, and 16; 123.40, Subdivision 5; and 124.247, Subdivision 5, are repealed.

Sec. 32. [EFFECTIVE DATE.]

Subdivision 1. Sections 10, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, and 29 of this article are effective the day following final enactment.

Subd. 2. Section 27 of this article is effective on the day of compliance with Minnesota Statutes 1980, Section 645.021, Subdivision 3.

ARTICLE VIII

TEACHER MOBILITY

Section 1. Minnesota Statutes 1980, Section 125.60, Subdivision 2a, is amended to read:

Subd. 2a. [REPORTS ON DENIALS.] Any school board which denies a request for an extended leave of absence pursuant to this section shall report this denial and the reasons therefor to the commissioner within 30 days. Prior to February 1, 1979 and each year thereafter, the commissioner shall file a written report with the education committees of the legislature on any denials reported pursuant to this subdivision.

Sec. 2. Minnesota Statutes 1980, Section 125.60, Subdivision 7, is amended to read:

Subd. 7. [APPLICATION PROCEDURES; LIMITS.] No school board shall grant an extended leave of absence pursuant to this section without applying for and receiving authorization from the commissioner of education. The commissioner of education shall establish ~~deadlines and~~ procedures for applications pursuant to this subdivision and shall approve or disapprove applications pursuant to this subdivision within the limits of the appropriation for the purposes of sections 354.094 and 354A.091. *Each application shall state whether or not the teacher requesting the extended leave of absence pursuant to this section intends to pay the employee contribution and request state payment of the employer contribution into the teacher's retirement fund pursuant to section 354.094 or 354A.091 in order to receive retirement service credit for years spent on leave. The commissioner shall approve no more than 300 applications for extended leaves beginning in the 1981-1982, 1982-1983 and 1983-1984 school years for teachers who intend to pay employee contributions and request state payment of employer contributions.*

If more than 300 applications for extended leaves beginning in any school year are received by March 15 of the preceding school year, the commissioner may decide which applications to approve according to the order of receipt, a method ensuring participation by teachers from the maximum possible number of districts, random allotment or any combination of these methods. Applications received by the commissioner after March 15 shall be considered for approval according to the order of receipt within the limits prescribed by this subdivision.

The commissioner shall not approve any applications for extended leaves beginning in the 1984-1985 or any subsequent school year for teachers who intend to pay employee contributions and request state payment of employer contributions. There is no limit on the number of applications which may be approved for extended leaves for teachers who do not intend to pay employee contributions or who do not request state payment of employer contributions.

Sec. 3. Minnesota Statutes 1980, Section 125.611, Subdivision 1, is amended to read:

Subdivision 1. [CRITERIA.] For purposes of this section, "teacher" means a teacher as defined in section 125.03, subdivision 1, who:

(a) is employed in the public elementary, secondary or area vocational-technical schools in the state, ~~who and~~

(b) either

(1)(i) has not less than 15 total years of full time teaching service in elementary, secondary and area vocational-technical schools, and

(ii) ~~who~~ has or will have attained the age of 55 years but less than 65 years as of the June 30 in the school year during which an application for an early retirement incentive is made, or

(2) has not less than 30 total years of full time teaching service in elementary, secondary and area vocational-technical schools.

Sec. 4. Minnesota Statutes 1980, Section 125.611, Subdivision 3, is amended to read:

Subd. 3. [TEACHER APPLICATION.] A teacher meeting the requirements of subdivision 1 may apply to the school board of the employing district for a contract for termination of his services, withdrawal from active teaching service, and payment of an early retirement incentive. This application shall be submitted on or before ~~June~~ February 1 of the school year at the end of which the teacher wishes to retire, and shall be submitted on the form established by the commissioner of education for this purpose. *Any teacher who is granted an extended leave of absence pursuant to section 125.60 beginning in the 1981-1982 school year or any year thereafter is not eligible for an early retirement incentive until that teacher has been reemployed with a district for at least three years prior to making an application for an early retirement incentive.*

Sec. 5. Minnesota Statutes 1980, Section 125.611, Subdivision 5, is amended to read:

Subd. 5. [SCHOOL BOARD APPLICATION; LIMIT.] If the school board approves the teacher's application, the board shall apply to the commissioner of education for authorization to enter into a contract with the teacher for termination of his services and payment of an early retirement incentive. The school board's application shall be submitted on the form required by the commissioner and must be received by the commissioner by the ~~July~~ March 15 immediately following the school board's approval of the teacher's application. The commissioner of education shall establish procedures for applications pursuant to this subdivision and shall approve or disapprove applications pursuant to this subdivision within the limits of the appropriation for the purposes of this section. *The commissioner shall approve no more than 500 applications for early retirement incentives for teachers retiring at the end of each school year.*

If more applications are received than can be approved within this limit, the commissioner may decide which applications to approve according to the order of receipt, a method ensuring participation by teachers from the maximum possible number of districts, random allotment or any combination of these methods.

Applications pursuant to this subdivision shall include the annual salaries which would be paid to the teachers for whom the applications are made if they did not retire and any other information required by the commissioner of education.

Sec. 6. Minnesota Statutes 1980, Section 125.611, Subdivision 8, is amended to read:

Subd. 8. [PAYMENT; REDUCTION.] An eligible teacher ~~who is or will be 55 years of age as of the end of the school year during which an application for an early retirement incentive is made and accepted~~ shall receive an early retirement incentive in the amount of \$10,000. This amount shall be reduced by \$500 for each year that a teacher is over the age of 55 years to a maximum age of 60 years and by an additional \$1,500 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. 7. Minnesota Statutes 1980, Section 125.611, Subdivision 9, is amended to read:

Subd. 9. [DESEGREGATION DISTRICTS.] Notwithstanding the provisions of subdivision 8, an eligible teacher ~~who wishes to retire at the end of the 1979-1980, 1980-1981, or 1981-1982 school year~~, who is employed by a school district which is implementing a desegregation plan ordered by federal court or approved by the state board, and who is offered and accepts an early retirement incentive contract pursuant to subdivision 7, 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 additionm \$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. 8. Minnesota Statutes 1980, Section 125.611, Subdivision 10, is amended to read:

Subd. 10. [PAYMENT ARRANGEMENT.] The early retirement incentive shall be paid by the employing school district at the time and in the manner mutually agreed upon by a teacher and the board. The state shall ~~reimburse the district for 50 percent of any amount or amounts paid out as an early retirement incentive pursuant to this section~~ *pay the district 50 percent of the authorized early retirement incentive grant on or before the September 1 immediately following the commissioner's approval of the teacher's application. For those applications which were approved prior to July 1, 1981, the state shall pay the districts any remaining state obligation on those grants by September 1, 1981.* An early retirement incentive shall not be paid to any teacher who is discharged by a school district.

Sec. 9. Minnesota Statutes 1980, Section 354.094, Subdivision 1, is amended to read:

Subdivision 1. [SERVICE CREDIT CONTRIBUTIONS.] If a member is granted an extended leave of absence pursuant to section 125.60 or 136.88, *except as provided in section 10 of this article* he may receive allowable service credit toward annuities and other benefits under this chapter, for each year of his leave by paying into the fund employee contributions during the period of the leave which shall not exceed five years. *Except as provided in section 10 of this article*, the state shall pay employer contributions into the fund for each year for which a member who is on extended leave pays employee contribu-

tions into the fund. The employee and employer contributions shall be based upon the rates of contribution prescribed by section 354.42 for the salary received during the year immediately preceding the extended leave. Payments for the years for which a member is receiving service credit while on extended leave shall be made on or before June 30 of each fiscal year for which service credit is received.

Sec. 10. Minnesota Statutes 1980, Section 354.094, is amended by adding a subdivision to read:

Subd. 1a. [RESTRICTIONS.] Notwithstanding subdivision 1, the following provisions apply to elementary, secondary and area vocational-technical school teachers whose extended leaves begin in the 1981-1982 school year and each year thereafter:

(a) Only a member whose application states the intention to pay employee contributions into the fund, requests state payment of employer contributions, and is approved by the commissioner within the limits of section 125.60, subdivision 7, qualifies for the payment of employee contributions and for state payment of employer contributions pursuant to subdivision 1;

(b) The state shall pay employer contributions for a member described in clause (a) for no more than the first three years of the leave;

(c) A member whose application is approved as to the member's eligibility under section 125.60, subdivisions 1 and 2 but whose application does not request state payment of employer contributions or is disapproved as to state payment of employer contributions, or who is in the fourth or fifth year of leave affected by clause (b) may pay employee contributions and receive allowable service credit as provided in subdivision 1 if the member and his employing school board make the required employer contribution, in any proportion which they may agree upon, by the payment date specified in subdivision 1.

Sec. 11. Minnesota Statutes 1980, Section 354.094, Subdivision 2, is amended to read:

Subd. 2. [MEMBERSHIP; RETENTION.] Notwithstanding section 354.49, subdivision 4, clause (3), a member on extended leave ~~who pays~~ whose employee and employer contributions are paid into the fund pursuant to subdivision 1 and section 10 of this article shall retain membership in the association for as long as ~~he continues to pay employee~~ the contributions are paid, under the same terms and conditions as if he had continued to teach in the district, the community college system or the state university system.

Sec. 12. Minnesota Statutes 1980, Section 354.094, Subdivision 3, is amended to read:

Subd. 3. [EFFECT OF NONPAYMENT.] A member on extended leave of absence pursuant to section 125.60 or 136.88 who does not pay employee contributions or whose employer contribution is not paid into the fund in any year shall be deemed to cease to render teaching services beginning in that year for purposes of this chapter and may not pay employee or employer contributions into the fund in any subsequent year of the leave. Nonpayment of employee contributions into the fund shall not affect the rights or obligations of the member or his employer under section 125.60 or 136.88.

Sec. 13. Minnesota Statutes 1980, Section 354.66, Subdivision 9, is

amended to read:

Subd. 9. [APPLICATIONS; LIMITS.] A school district shall not assign a teacher to a part time teaching position qualifying for the continuation of contributions and accrual of service credit pursuant to this section without applying for and receiving the authorization of the commissioner of education. In cooperation with the boards of trustees of the appropriate retirement fund associations and within the limits of the amount appropriated for the purpose of this section, the commissioner of education shall approve or disapprove applications from school districts for authorization to assign teachers to part time teaching positions qualifying for the continuation of contributions and accrual for service credit pursuant to this section; *provided he shall not approve more than 55 total applications pursuant to this section and section 354A.094 for participation in the fund in any fiscal year. If more than 55 applications for any school year are received by the commissioner by March 15 of the preceding school year, the commissioner may decide which applications to approve according to the order of receipt, a method ensuring participation by teachers from the maximum possible number of districts, random allotment or any combination of these methods. Applications received by the commissioner after March 15 shall be considered for approval according to the order of receipt within the limits prescribed by this subdivision.* The state board for community colleges and the state university board may within the limits appropriated to them for purposes of this section assign a teacher to a part time teaching position qualifying for the continuation of contributions and accrual of service credit pursuant to this section without applying for and receiving the authorization of the commissioner of education.

Sec. 14. Minnesota Statutes 1980, Section 354A.091, Subdivision 1, is amended to read:

Subdivision 1. [RETIREMENT CONTRIBUTIONS.] Notwithstanding any provision to the contrary of this chapter or the articles of incorporation or bylaws of an association relating to the salary figure to be used for the determination of contributions or the accrual of service credit, *except as provided in section 15 of this article* an elementary, secondary or area vocational-technical school teacher in the public schools of a city of the first class who is granted an extended leave of absence pursuant to section 125.60 shall be entitled to receive allowable service credit in the applicable association for each year of leave. To obtain the service credit, the teacher on extended leave shall make an employee contribution to the applicable association each year during the period of the leave. The extended leave period for which a teacher shall be entitled to receive allowable service credit pursuant to this section shall not exceed the leave duration maximum set forth in section 125.60, subdivision 2. If the teacher on extended leave makes the employee contribution pursuant to this section during a leave of absence year, *except as provided in section 15 of this article* the state shall make an employer contribution on behalf of the teacher to the applicable association for that year. The employee and employer contributions shall be in an amount equal to the employee and employer contribution rates in effect for other active members of the association covered by the same program applied to a salary figure equal to the teacher's actual covered salary for the plan year immediately preceding the leave. Payment of the employee contribution authorized pursuant to this section shall be made by the teacher on or before June 30 of the fiscal year for which service credit is to be obtained,

and payment of the employer contribution shall be made by the state within 30 days of notification by the association of receipt of the required employee contribution. No allowable service with respect to a year of extended leave of absence shall be credited to a teacher until payment of the required employee and employer contributions has been received by the association.

Sec. 15. Minnesota Statutes 1980, Section 354A.091, is amended by adding a subdivision to read:

Subd. 1a. [CONTRIBUTION RESTRICTIONS.] Notwithstanding subdivision 1, the following provisions apply to elementary, secondary and area vocational-technical school teachers whose extended leaves begin in the 1981-1982 school year and each year thereafter:

(a) Only a member whose application states the intention to pay employee contributions to the applicable association, requests state payment of the employer contribution, and is approved by the commissioner within the limits of section 125.60, subdivision 7, qualifies for the payment of employee contributions and for state payment of employer contributions pursuant to subdivision 1;

(b) The state shall pay employer contributions for a member described in clause (a) for no more than the first three years of the leave;

(c) A member whose application is approved as to the member's eligibility under section 125.60, subdivisions 1 and 2 but whose application does not request state payment of employer contributions or is disapproved as to state payment of employer contributions, or who is in the fourth or fifth year of leave affected by clause (b) may pay employee contributions and receive allowable service credit as provided in subdivision 1 if the member and his employing school board make the required employer contribution, in any proportion which they may agree upon, by the payment date specified in subdivision 1.

Sec. 16. Minnesota Statutes 1980, Section 354A.091, Subdivision 2, is amended to read:

Subd. 2. [MEMBERSHIP RETENTION.] A teacher on extended leave pursuant to section 125.60 who makes whose employee and employer contributions are made to the applicable teachers retirement fund association pursuant to subdivision 1 and section 15 of this article shall retain membership in the association for each year during which the teacher continues to make employee contributions are made, under the same terms and conditions as if the teacher had continued to teach in the district.

Sec. 17. Minnesota Statutes 1980, Section 354A.091, Subdivision 3, is amended to read:

Subd. 3. [EFFECT OF NONPAYMENT.] A teacher on extended leave pursuant to section 125.60 who does not make employee contributions or whose employer contribution is not made to the applicable teachers retirement fund association in any year shall be deemed to have ceased to be an active member of the association and to have ceased to render teaching services beginning in that year for purposes of this chapter and the articles of incorporation and bylaws of the association, and may not pay employee or employer contributions into the fund in any subsequent year of the leave. Nonpayment of employee contributions into the fund shall not affect the rights or obligations of

the teacher or his employing school district under section 125.60.

Sec. 18. Minnesota Statutes 1980, Section 354A.094, Subdivision 9, is amended to read:

Subd. 9. [APPLICATION APPROVAL; LIMITS.] A district shall not assign a teacher to a part time teaching position qualifying for full membership in, accrual of service credit from and employee contributions to a teachers retirement fund association pursuant to this section without applying for and receiving the authorization of the commissioner of education. In cooperation with the boards of trustees of the appropriate retirement fund associations and within the limits of the amounts appropriated for the purpose of this section, the commissioner of education shall approve or disapprove the applications from districts for authorization to assign teachers to part time teaching positions qualifying for full membership in, accrual of service credit from and employee contributions to a teachers retirement fund association pursuant to this section; *provided he shall not approve more than 55 total applications pursuant to this section and section 354.66 for participation in the fund in any fiscal year. If more than 55 applications for any school year are received by the commissioner by March 15 of the preceding school year, the commissioner may decide which applications to approve according to the order of receipt, a method ensuring participation by teachers from the maximum possible number of districts, random allotment, or any combination of these methods. Applications received by the commissioner after March 15 shall be considered for approval according to the order of receipt within the limits prescribed by this subdivision.*

Sec. 19. [INSTRUCTIONS TO COMMISSIONER.] *The commissioner shall allow those teachers whose applications were approved prior to the effective date of sections 2, 10, and 15 of this article for extended leaves of absence beginning in the 1981-1982 school year to amend their applications in order to comply with sections 2, 10, and 15 of this article.*

Sec. 20. [APPROPRIATION.]

Subdivision 1. There is appropriated from the general fund to the department of education the sums indicated in this section for the fiscal years ending June 30 in the years designated.

Subd. 2. [EXTENDED LEAVES OF ABSENCE.] To meet the state's obligation prescribed in Minnesota Statutes 1980, Sections 354.094 and 354A.091, there is appropriated:

\$1,025,200.....1982,

\$1,574,300.....1983.

Subd. 3. [PART-TIME TEACHING.] To meet the state's obligation prescribed in Minnesota Statutes 1980, Sections 354.66 and 354A.094, there is appropriated:

\$69,900.....1982,

\$75,500.....1983.

Subd. 4. [EARLY RETIREMENT INCENTIVES.] To meet the state's obligation prescribed in Minnesota Statutes 1980, Section 125.611, there is appropriated:

\$2,191,400.....1982,

\$1,805,000.....1983.

Subd. 5. [NON-CANCELLATION; FUNDING RESTRICTION.] Any unexpended balance remaining from the appropriations in this section for fiscal year 1982 shall not cancel but shall be available for the second year of the biennium. Notwithstanding the provisions of Minnesota Statutes 1980, Sections 354.43 and 354A.12, the state's obligations prescribed in Minnesota Statutes 1980, Sections 354.094, 354.66, 354A.091, and 354A.094 shall not be financed out of standing appropriations for the state's obligations pursuant to Minnesota Statutes 1980, Chapter 354 or 354A.

Subd. 6. [TRANSFER AUTHORITY.] If any appropriation for any year in subdivision 2, 3 or 4 exceeds the amount needed to pay the state's obligation for that year under that subdivision, then the excess amount may be used to make payments for that year pursuant to another subdivision.

Sec. 21. [EFFECTIVE DATE.]

Sections 2, 3, 6, 9, 10, 11, 12, 13, 14, 15, 16, 17 and 18 of this article shall be effective the day following final enactment. Section 5 of this article shall be effective the day following final enactment except that the amendment changing the application deadline from July 15 to March 15 shall be effective August 1, 1981.

ARTICLE IX

MAXIMUM EFFORT SCHOOL AID

Section 1. Minnesota Statutes 1980, Section 124.38, Subdivision 7, is amended to read:

Subd. 7. "Maximum effort debt service levy" means the lesser of:

(1) A levy in a total dollar amount computed as 15 mills on the adjusted assessed value; or whichever of the following amounts is applicable:

(a) In any school district granted a debt service loan after July 31, 1981 or granted a capital loan which is approved after July 31, 1981, a levy in a total dollar amount computed as 16 mills on the adjusted assessed value;

(b) In any school district granted a debt service loan before August 1, 1981 or granted a capital loan which was approved before August 1, 1981, a levy in a total dollar amount computed as 15 mills on the adjusted assessed value, until and unless the district receives an additional loan; or

(2) A levy in whichever of the following amounts is applicable:

(a) In any school district which received a debt service or capital loan from the state before January 1, 1965, a levy in a total dollar amount computed as 4.10 mills on the market value in each year, unless the district applies or has applied for an additional loan subsequent to January 1, 1965, or issues or has issued bonds on the public market, other than bonds refunding state loans, subsequent to January 1, 1967;

(b) In any school district granted a debt service or capital loan between January 1, 1965, and July 1, 1969, a levy in a total dollar amount computed as 5-1/2 mills on the market value in each year, until and unless the district

receives an additional loan;

(c) In any school district granted a debt service or capital loan between July 1, 1969 and July 1, 1975, a levy in a total dollar amount computed as 6.3 mills on market value in each year until and unless the district has received an additional loan; or

(d) In any school district ~~granted a~~ ~~which has an outstanding~~ capital loan ~~between July 1, 1977 and the effective date of this section of this article~~, a levy in a total dollar amount equal to the sum of the amount of the required debt service levy and an amount which when levied annually will in the opinion of the commissioner be sufficient to retire the remaining interest and principal on any outstanding loans from the state within 30 years of the original date when the capital loan was granted; provided, that the school board in any district affected by the provisions of clause (2)(d) may elect instead to determine the amount of its levy according to the provisions of clause (1); provided further that if a district's capital loan is not paid within 30 years because it elects to determine the amount of its levy according to the provisions of clause (2)(d), the liability of the district for the amount of the difference between the amount it levied under clause (2)(d) and the amount it would have levied under clause (1), and for interest on the amount of that difference, shall not be satisfied and discharged pursuant to section 124.43, subdivision 4.

Sec. 2. Minnesota Statutes 1980, Section 124.39, Subdivision 5, is amended to read:

Subd. 5. All moneys deposited to the credit of the loan repayment account and not required for the payment of principal and interest and costs as prescribed in subdivision 4 shall be transferred to the credit of the debt service loan account on July 1 of each year, and ~~such those~~ moneys are ~~hereby~~ annually appropriated ~~in such to that~~ account for the purposes prescribed by the maximum effort school aid law; except that the ~~committee~~ commissioner may retain in the loan repayment account any amount which ~~it the~~ commissioner estimates will not be needed for loans in the fiscal year commencing July 1. Moneys deposited to the credit of the loan repayment account and not required for ~~such the~~ transfers or for the payment of principal and interest due on school loan bonds may be invested and reinvested in securities which are general obligations of the United States or the state of Minnesota. When all school loan bonds have been fully paid with interest accrued thereon, the balance remaining in ~~said the~~ account shall be transferred to the state bond fund.

Sec. 3. Minnesota Statutes 1980, Section 124.40, Subdivision 2, is amended to read:

Subd. 2. Any amounts remaining in the fund on July 1 of each year, including any unused portion of the appropriation made in subdivision 1, shall be available for use by the ~~committee~~ commissioner in making further debt service loans and capital loans.

Sec. 4. Minnesota Statutes 1980, Section 124.41, is amended to read:

124.41 [SCHOOL LOANS.]

Subdivision 1. The ~~members of the equalization aid review committee defined in section 124.212, subdivision 10,~~ commissioner shall receive and consider applications for and grant or deny loans under sections 124.36 to

124.47.

Subd. 2. [APPLICATION FORMS; RULES.] The ~~committee commissioner~~, with the assistance of the attorney general or an assistant designated by him, shall prepare forms of applications for debt service loans and capital loans and instruments evidencing ~~such the loans; and~~. The state board shall promulgate ~~regulations rules~~ to facilitate ~~its the commissioner's~~ operations in compliance with sections 124.36 to 124.47, ~~and such regulations~~. The rules shall be subject to the procedure set forth in sections 15.0411 to 15.0422.

Subd. 3. The ~~committee commissioner~~ may employ a clerk, ~~who may be designated assistant secretary, to to administer the maximum effort school aid law. The clerk shall serve at its the commissioner's pleasure and to shall be in the unclassified service of the state; and. The commissioner may fix his the clerk's compensation, which shall be paid out of the administration loan repayment account of the fund.~~

Sec. 5. Minnesota Statutes 1980, Section 124.42, Subdivision 1, is amended to read:

Subdivision 1. [QUALIFICATION; APPLICATION; AWARD; INTEREST.] Any school district in which the required levy for debt service in any year will exceed its maximum effort debt service levy by ten percent or by \$5,000, whichever is less, is qualified for a debt service loan hereunder in an amount not exceeding the amount applied for, and not exceeding one percent of the net debt of the district, and not exceeding the difference between the required and the maximum effort debt service levy in ~~such that~~ year. Applications shall be filed with the ~~committee commissioner~~ in each calendar year up to and including September 15. The ~~committee commissioner~~ shall determine whether the applicant is entitled to ~~such a~~ loan and the amount thereof, and on or before October 1 shall certify to each applicant district the amount granted and its due date. ~~A copy of each such certificate shall be filed with the commissioner. Upon receipt by the commissioner of a copy of the committee's certificate that the loan is granted,~~ The commissioner shall notify the county auditor ~~of or each county auditors~~ in which the district is located that the amount ~~so~~ certified is available and appropriated for payment of principal and interest on its outstanding bonds, and ~~such the~~ auditors shall reduce by that amount the taxes otherwise leviable as the district's debt service levy on the tax rolls for ~~such that~~ year. Each debt service loan shall bear interest from its date at a rate ~~determined by the commissioner of finance annually, at the multiple of one-tenth of one percent per annum next higher than the equal to the average annual rate payable on Minnesota state school loan bonds from time to time outstanding, most recently issued prior to the disbursement of the loan to the district, but in no event less than 3 1/2 percent per annum on the principal amount from time to time remaining unpaid, payable on December 15 of the year next following that in which the loan is received and annually thereafter.~~

Sec. 6. Minnesota Statutes 1980, Section 124.42, Subdivision 2, is amended to read:

Subd. 2. [NOTE.] Each debt service loan shall be evidenced by a note which shall be executed ~~in on~~ behalf of the district by the signatures of its chairman or vice chairman and the school district clerk, shall be dated November 1 of the year in which executed, and shall state its principal amount, interest rate, and that it is payable at the commissioner's office. It shall have printed thereon, or

the commissioner shall attach thereto, a grill for entry of the date and amount of each payment and allocations of each payment to accrued interest or principal, and a certificate to be executed by the county auditor of each county in which any portion of the school district is situated, prior to the delivery of the note, stating that ~~such~~ the county auditor has entered the debt service loan evidenced thereby in his bond register. ~~Such~~ The notes shall be delivered to the ~~committee~~ commissioner not later than November 15 of the year in which executed. The ~~secretary~~ commissioner shall cause a record to be made and preserved showing the obligor district and the date and principal amount of each note, and shall then deliver it to the commissioner who shall make suitable record thereof.

Sec. 7. Minnesota Statutes 1980, Section 124.43, Subdivision 1, is amended to read:

Subdivision 1. (a) To the extent moneys are from time to time available hereunder, the ~~committee is authorized~~ commissioner may, after review and a favorable recommendation by the state board of education, to effect make capital loans to school districts. Proceeds of ~~such~~ the loans shall be used only for sites for school buildings and for acquiring, bettering, furnishing, or equipping school buildings under contracts to be entered into within 12 months from and after the date on which each loan is granted. Applications with the accompanying data specified in subdivision 2 shall be filed between October 1 of any year and the following June 1 next following. ~~No application shall be approved unless the state board of education certifies that the loan is~~

(b) Any board which intends to submit an application for a capital loan shall submit a proposal to the commissioner for review and comment pursuant to section 122.90, and the commissioner shall prepare a review and comment on the proposed facility, regardless of the amount of the capital expenditure required to construct the facility. The state board shall not make a favorable recommendation on an application for a capital loan for any facility unless:

(1) the facility receives a favorable review and comment pursuant to section 122.90; and

(2) the state board determines that

(A) the facilities are needed to replace facilities dangerous to the health and safety of pupils, or to provide for pupils for whom no adequate facilities exist; that such

(B) the facilities could not be made available by consolidating the district through dissolution and attachment of the district to another district or through pairing, interdistrict cooperation, or consolidation with an adjacent another district without substantially lowering the fiscal capacity of that district or so increasing its area that it would no longer be viable; and that existing institutions or, or through the purchase or lease of facilities from existing institutions within the area could not be acquired or leased to provide the needed facilities safely and at a lower cost. The state board shall make recommendations to the committee. The preference of the school district regarding reorganization shall not be a criterion used by the state board in determining whether the facilities could be made available through reorganization;

(C) the facilities are comparable in size and quality to facilities recently constructed in other districts of similar enrollment; and

(D) the district's need for the facilities is comparable to needs which com-

parable districts are meeting through local bond issues.

The state board may recommend that the loan be approved in a reduced amount in order to meet the foregoing criteria. If the state board recommends that a loan not be approved, the commissioner shall not approve the loan, and if the state board recommends that the loan be approved in a reduced amount, the commissioner shall not approve a loan larger than that recommended by the state board.

(c) No loan shall be approved for any district exceeding an amount computed as follows:

(1) The amount voted by the district under subdivision 2;

(2) Plus the aggregate principal amount of general obligation bonds of the district outstanding on the date of approval, not exceeding the limitation on net debt of the district in section 475.53, subdivision 4, or ~~22.5~~ 24 percent of the adjusted assessed value, whichever is less;

(3) Less the maximum net debt permissible for the district on the date of approval, under the limitation in section 475.53, subdivision 4, or ~~22.5~~ 24 percent of the adjusted assessed value, whichever is less; and

(4) Less any amount by which the amount voted exceeds the total cost of the facilities for which the loan is granted, as estimated in accordance with subdivision 4, provided that the loan may be approved in an amount computed as provided in clauses (1) to (3), subject to subsequent reduction in accordance with this clause.

Sec. 8. Minnesota Statutes 1980, Section 124.43, Subdivision 2, is amended to read:

Subd. 2. [DISTRICT PROCEDURES.] The school board of any district desiring a loan shall adopt a resolution stating the amount proposed to be borrowed, the purpose for which the debt is to be incurred, and an estimate of the dates when the facilities for which the loan is requested will be contracted for and completed. The question of authorizing the borrowing of funds for the facilities shall be submitted to the voters of the district at a regular or special election. The question submitted shall state the total amount to be borrowed from all sources. A majority of those voting on the question shall be sufficient to authorize the district to effect the state loan *application* and also to issue the bonds on public sale in accordance with chapter 475. Applications for loans shall be accompanied by (a) a copy of ~~such~~ the resolution, (b) a certificate by the clerk showing the vote at the election, (c) a certificate by the clerk and treasurer showing the then outstanding indebtedness of the district, and (d) a certificate by the county auditor of each county in which a portion of the district lies showing the information in his official records which is required to be used in computing the debt limit of the district under section 475.53, subdivision 4. The clerk's and treasurer's certificate shall show, as to each outstanding bond issue, the amount originally issued, the purpose for which issued, the date of issue, the amount remaining unpaid as of the date of the resolution, and the interest rates and due dates and amounts of principal thereon. Applications shall be in ~~such~~ the form and accompanied by ~~such~~ the additional data as which the ~~committee~~ commissioner and state board of education shall prescribe, which may include a statement from the state department of education as to the district's need of the proposed schoolhouses in comparison with needs of other

~~districts~~. When an application is received, the ~~committee~~ commissioner shall obtain from the commissioner of revenue, and from the public utilities commission when required, the information in their official records which is required to be used in computing the debt limit of the district under section 475.53, subdivision 4.

Sec. 9. Minnesota Statutes 1980, Section 124.43, Subdivision 3, is amended to read:

Subd. 3. [AWARD OF LOANS.] The ~~committee~~ commissioner shall examine and consider all applications for capital loans which have been recommended by the state board of education, and if any applicant district is found not qualified it shall be promptly notified thereof. On January 1 and July 1 of each year, the ~~committee~~ commissioner shall make ~~its~~ a determination on all pending applications which have been on file with ~~it~~ the commissioner more than one month. If an applicant is qualified in the opinion of the ~~committee~~ commissioner and the aggregate of the amounts applied for does not exceed the amount available or which can be made available in the capital loan account, all loans so applied for shall be granted, subject to acceptance by the respective districts as specified below. If the aggregate exceeds the amount which is or can be made available, the ~~committee~~ commissioner shall allot the available amount among the qualified applicant districts, or any of them, according to the ~~committee's~~ commissioner's judgment and discretion based upon their respective needs. The ~~committee~~ commissioner shall promptly certify to each qualified applicant district the amount, if any, of the capital loan granted to it, subject to adjustment under subdivision 1, clause (4).

Sec. 10. Minnesota Statutes 1980, Section 124.43, Subdivision 4, is amended to read:

Subd. 4. Each capital loan shall be evidenced by a contract between the school district and the state acting through the ~~committee~~ commissioner. It shall obligate the state to pay to the district, out of the maximum effort school loan fund, an amount computed as provided in subdivision 1, upon receipt by the ~~committee~~ commissioner of a certified resolution of the school board granting that contracts for construction of the facilities for which the loan is granted have been awarded and that bonds of the district have been issued and sold in the amount necessary to pay all costs thereof in excess of the amount of the loan, and estimating ~~such~~ the costs. It shall obligate the district to repay the loan out of the excesses of its maximum effort debt service levy over its required debt service levy, including interest at a rate ~~determined annually by the commissioner of finance, at the multiple of one-tenth of one percent per annum next higher than equal to the average annual rate payable on Minnesota state school loan bonds most recently issued prior to the disbursement of the loan to the district,~~ but in no event less than 3 1/2 percent per annum on the principal amount from time to time unpaid. The district shall each year, as long as it is indebted to the state, levy for debt service (a) the amount of its maximum effort debt service levy or (b) the amount of its required debt service levy, whichever is greater, except as ~~such~~ the required debt service levy may be reduced by a loan under section 124.42. Whenever the maximum effort debt service levy is greater, the district shall remit to the commissioner within ten days after its receipt of the last regular tax distribution in each year, that portion of the debt service tax collections, including penalties and interest, which exceeded the required debt service levy. The commissioner shall supervise the

collection of outstanding accounts due the fund and may, by notice to the proper county auditor require the maximum levy to be made as required hereunder. Interest on capital loans shall be paid on December 15 of the year next following that in which the loan is granted and annually thereafter. On or before November 1 in each year the commissioner shall notify the county auditor of each county containing taxable property situated within the school district of the amount of the maximum effort debt service levy of the district for that year, and ~~said~~ the county auditor or auditors shall extend upon the tax rolls an ad valorem tax upon all taxable property within the district in the aggregate amount so certified. ~~In the event that~~ If any capital loan is not paid within 30 years after it is granted from maximum effort debt service levies in excess of required debt service levies, the liability of the school district thereon shall be satisfied and discharged and interest thereon shall cease. After a district's capital loan has been outstanding for 20 years, the district shall not issue bonds on the public market except for the purpose of refunding ~~such a~~ the loan.

Sec. 11. Minnesota Statutes 1980, Section 124.43, Subdivision 5, is amended to read:

Subd. 5. [PARTICIPATION BY COUNTY AUDITOR; RECORD OF CONTRACT; PAYMENT OF LOAN.] Before delivery of any capital loan contract, the school district shall file a copy thereof with the county auditor of each county in which any portion of the district is situated, and shall obtain from each ~~such~~ county auditor and furnish to the ~~committee~~ commissioner a certificate stating that ~~such~~ the county auditor has entered the capital loan evidenced thereby in his bond register. As each executed contract is delivered to the ~~committee~~ commissioner, ~~its secretary~~ the commissioner shall cause a record thereof to be made and preserved showing the name and address of the district, the date of the contract, and the amount of the loan initially approved in accordance with subdivision 1. Upon receipt of the resolution required in subdivision 4, the commissioner shall issue a warrant on the capital loan account for the amount which may be disbursed in accordance with subdivision 1, payable on presentation to the state treasurer. On presentation the treasurer shall remit the amount to the district and enter the date and amount in his account with the district. Interest thereon shall accrue from ~~such~~ that date.

Sec. 12. Minnesota Statutes 1980, Section 124.474, is amended to read:

124.474 [BOND ISSUE, MAXIMUM EFFORT SCHOOL LOANS; 1969.]

For the purpose of providing moneys to be loaned to school districts as agencies and political subdivisions of the state for the acquisition and betterment of public land and buildings and other public improvements of a capital nature, in the manner provided by the maximum effort school aid law, the commissioner of finance is directed to issue and sell school loan bonds of the state of Minnesota in the maximum amount of \$20,000,000, in addition to the bonds heretofore authorized for this purpose, which amount is appropriated to the maximum effort school loan fund and shall be expended under the direction of the ~~school loan committee~~ commissioner of education for the making of debt service loans and capital loans to school districts as provided in sections 124.36 to 124.47. These bonds shall be issued and sold and provision for the payment thereof shall be made in accordance with section 124.46, and an amount sufficient to pay interest on the bonds to and including July 1 in the second year after the date of issue shall be credited from the bond proceeds to the school

loan bond account in the state bond fund. Any expenses incidental to the sale, printing, execution, and delivery of the bonds, including, but without limitation, actual and necessary travel and subsistence expenses of state officers and employees for ~~such~~ those purposes, shall be paid from the maximum effort school loan fund, and the amounts necessary therefor are appropriated from ~~such fund~~ it.

Sec. 13. Minnesota Statutes 1980, Section 124.476, is amended to read:

124.476 [BOND ISSUE, MAXIMUM EFFORT SCHOOL LOANS; 1980.]

For the purpose of providing moneys to be loaned to school districts as agencies and political subdivisions of the state for the acquisition and betterment of public land and buildings and other public improvements of a capital nature, in the manner provided by the maximum effort school aid law, the commissioner of finance is directed to issue and sell school loan bonds of the state of Minnesota in the maximum amount of \$20,000,000, in addition to the bonds heretofore authorized for this purpose, which amount is appropriated to the maximum effort school loan fund and shall be expended under the direction of the ~~equalization aid review committee~~ commissioner of education for the making of debt service loans and capital loans to school districts as provided in sections 124.36 to 124.47. These bonds shall be issued and sold and provision for their payment shall be made in accordance with section 124.46, and an amount sufficient to pay interest on the bonds to and including July 1 in the second year after the date of issue shall be credited from the bond proceeds to the school loan bond account in the state bond fund. Any expenses incidental to the sale, printing, execution, and delivery of the bonds, including, but without limitation, actual and necessary travel and subsistence expenses of state officers and employees for those purposes, shall be paid from the maximum effort school loan fund, and the amounts necessary for the expenses are appropriated from it.

Sec. 14. [APPROPRIATION; MAXIMUM EFFORT SCHOOL LOAN FUND.] *There is appropriated from the general fund to the maximum effort school loan fund the sum of \$5,104,000 for the fiscal year ending June 30, 1982 and \$4,396,200 for the fiscal year ending June 30, 1983. Any unexpended balance of this appropriation for fiscal year 1982 shall not cancel but shall be available for the second year of the biennium.*

These appropriations shall be placed in the loan repayment account of the maximum effort school loan fund for the payment of principal and interest on school loan bonds, as provided in section 124.46, to the extent that moneys in the fund are not sufficient to pay when due the full amount of principal and interest due on school loan bonds. The purpose of these appropriations is to ensure that sufficient moneys are available in the fund to prevent a statewide property tax levy as would otherwise be required pursuant to section 124.46, subdivision 3. Notwithstanding the provisions of section 124.39, subdivision 5, any amount of the appropriation made in this section which is not needed to pay when due the principal and interest due on school loan bonds shall not be transferred to the debt service loan account of the maximum effort school loan fund, but instead shall cancel and revert to the general fund.

Sec. 15. [EFFECTIVE DATE.]

Subdivision 1. Sections 1, 2, 3, 4, 5, 6, 8, 9, 10, 11, 12 and 13 of this article

are effective on the day following final enactment.

Subd. 2. Section 7 of this article shall be effective August 1, 1981, except that the transfer of authority from the committee to the commissioner shall be effective on the day following final enactment. The amendments in section 7, clause (c) of this article shall not apply to a capital loan approved by the committee or the commissioner before August 1, 1981, regardless of when the capital loan contract is signed or the loan amount is paid to the district.

Subd. 3. The amendments in section 10 regarding the interest rate payable on capital loans shall not apply to a capital loan approved by the committee or the commissioner before August 1, 1981, regardless of when the capital loan contract is signed or the loan amount is paid to the district."

Delete the title in its entirety and insert:

"A bill for an act relating to education; providing for aids to education, aids to libraries, tax levies and the distribution of tax revenues; granting certain duties and powers to school boards, school districts, the state board of education, and the state board for vocational education; replacing AVTI capital expenditure aid with AVTI equipment aid and AVTI repair and betterment aid; requiring a property accounting system for AVTI's; providing a new aid and levy authorization for certain capital expenditures; providing for certain alternative projects; modifying certain provisions relating to teacher mobility and early retirement programs; providing for the transfer of proceeds from the sale or exchange of buildings to the capital expenditure fund under certain circumstances; decreasing the state's obligation and changing eligibility standards for the maximum effort school aid program; appropriating money; amending Minnesota Statutes 1980, Sections 3.9278, Subdivision 1; 3.9279, Subdivisions 10 and 12; 116H.126, Subdivisions 2, 4 and 5; 120.03, by adding a subdivision; 120.0751, Subdivision 5; 120.17, Subdivisions 3b, 4, 5a, 6, 7, 9 and by adding a subdivision; 120.78, Subdivision 1; 121.90; 121.902, by adding a subdivision; 121.904, Subdivision 7 and by adding a subdivision; 121.906, Subdivisions 2 and 3; 121.912, Subdivision 1; 121.917, Subdivision 4; 121.931, Subdivision 6; 121.934, Subdivision 7; 121.935, Subdivisions 2 and 6; 121.936, Subdivisions 2 and 3 and by adding a subdivision; 121.937, Subdivision 1; 121.938, Subdivision 2; 122.22, Subdivisions 3, 4, 5, 8, 9, 11, 13, 14, and 20, and by adding a subdivision; 122.531, Subdivisions 1, 2, 3a, 5, and 6; 123.35, Subdivision 15; 123.36, Subdivision 13; 123.39, Subdivision 1; 123.702, Subdivision 1; 123.703, Subdivision 3; 123.705; 123.937; 124.01, Subdivision 1; 124.11, Subdivisions 1, 2a, 2b, 2c, 4, 5, and by adding a subdivision; 124.14, Subdivisions 2, 3, and 4, and by adding a subdivision; 124.17, Subdivisions 1, 2, 2c and by adding a subdivision; 124.20; 124.212, Subdivision 1, and by adding a subdivision; 124.213; 124.214, Subdivision 2; 124.223; 124.225, Subdivisions 1, 1a, 3, 4a, 6, 7a, 8a, 8b, 9, 11, and 11a; 124.245, Subdivisions 1 and 2, and by adding subdivisions; 124.247, Subdivision 3; 124.26, Subdivisions 1, 4 and by adding subdivisions; 124.271, Subdivisions 2, 4, 5 and by adding subdivisions; 124.32, Subdivisions 1, 1a, 1b, 5, 6, 9 and by adding a subdivision; 124.38, Subdivision 7; 124.39, Subdivision 5; 124.40, Subdivision 2; 124.41; 124.42, Subdivisions 1 and 2; 124.43, Subdivisions 1, 2, 3, 4 and 5; 124.474; 124.476; 124.561, Subdivisions 2a, 3a and by adding subdivisions; 124.562, by adding a subdivision; 124.5621, Subdivisions 2, 5, 6 and 12; 124.5622, Subdivisions 3, 4 and 5; 124.5623, Subdivisions 3, 4 and 5; 124.5624;

124.565, Subdivisions 3, 4, 6 and 7; 124.572, Subdivisions 3 and 8, and by adding subdivisions; 124.573, Subdivisions 2, 3a, 5 and by adding a subdivision; 124.574, Subdivisions 2, 4 and 8; 124.646, Subdivision 1; 125.60, Subdivisions 2a and 7; 125.611, Subdivisions 1, 3, 5, 8, 9 and 10; 126.262, Subdivision 8; 126.54, Subdivision 1; 134.35, Subdivision 1; 134.351, Subdivision 5 and by adding subdivisions; 134.36; 275.125, Subdivisions 1, 2a, 2c, 6b, 6c, 7a, 8, 9, 11a, 19 and 20, and by adding subdivisions; 298.28, Subdivision 1; 354.094, Subdivisions 1, 2 and 3, and by adding a subdivision; 354.66, Subdivision 9; 354A.091, Subdivisions 1, 2 and 3, and by adding a subdivision; 354A.094, Subdivision 9; 375.335, Subdivision 4 and by adding subdivisions; Laws 1967, Chapter 822, Section 1, as amended; Laws 1973, Chapter 683, Section 26, Subdivision 1, and by adding subdivisions; proposing new law coded in Minnesota Statutes, Chapters 3, 120, 121 and 124; repealing Minnesota Statutes 1980, Sections 116H.126, Subdivisions 1 and 7; 120.06, Subdivision 2; 120.17, Subdivision 3c; 120.78, Subdivision 2; 121.13; 121.49, Subdivision 2; 121.495, Subdivision 6; 122.22, Subdivisions 10, 12, 15 and 16; 122.531, Subdivision 7; 123.40, Subdivision 5; 124.01, Subdivisions 2, 3 and 4; 124.212, Subdivisions 2, 4, 5, 5a, 6c, 7c, 7d, 8a, 9, 9a, 9b, 20, 20a and 21; 124.225, Subdivisions 2, 4, 5, 7 and 8; 124.26, Subdivision 3; 124.247, Subdivision 5; 124.271, Subdivision 1a; 124.561, Subdivision 4; 124.562, Subdivisions 3 and 4; 124.566; 124.571; 126.263; 126.268, Subdivision 1; 126.52, Subdivision 12; 275.125, Subdivisions 2b, 7b, and 14."

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

House Conferees: (Signed) Bob McEachern, Carl M. Johnson, Ken G. Nelson, Connie M. Levi, David M. Jennings

Senate Conferees: (Signed) Neil Dieterich, Jerome M. Hughes, Gene Merriam, Keith Langseth, Wayne Olhoff

Mr. Dieterich moved that the foregoing recommendations and Conference Committee Report on H. F. No. 70 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.

CALL OF THE SENATE

Mr. Dieterich imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

H. F. No. 70 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 38 and nays 23, as follows:

Those who voted in the affirmative were:

Dahl	Knoll	Moe, R. D.	Purfeerst	Stumpf
Davies	Kroening	Nelson	Schmitz	Tennessee
Dicklich	Kronebusch	Olhoff	Setzepfandt	Vega
Dieterich	Langseth	Pehler	Sikorski	Waldorf
Frank	Lantry	Penny	Solon	Wegener
Hanson	Luther	Peterson, C. C.	Spear	Willet
Hughes	Menning	Peterson, R. W.	Stern	
Johnson	Moe, D. M.	Petty	Stokowski	

Those who voted in the negative were:

Ashbach	Bertram	Frederickson	Merriam	Sieloff
Bang	Brataas	Kamrath	Peterson, D.L.	Taylor
Benson	Davis	Knutson	Pillsbury	Ulland
Berg	Engler	Lessard	Ramstad	
Bernhagen	Frederick	Lindgren	Rued	

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

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Pehler moved that the following members be excused for a Conference Committee on H. F. No. 1445 at 4:00 p.m.:

Messrs. Johnson; Hanson; Peterson, C. C.; Pehler and Ms. Berglin. The motion prevailed.

Pursuant to Rule 21, Mr. Willet moved that the following members be excused for a Conference Committee on H. F. No. 1475 at 4:30 p.m.:

Messrs. Willet, Luther, Menning, Purfeerst and Ashbach. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

S. F. No. 359 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S. F. NO. 359

A bill for an act relating to workers' compensation; expressing the intent of the legislature with respect to chapter 176; transferring compensation judges from the workers' compensation division to a separate division within the office of administrative hearings; making the workers' compensation court of appeals a separate and independent agency with appellate review powers; providing for a discount assumption with respect to calculating reserves for claims of insurance companies; authorizing the commissioner of insurance to initiate a rate hearing; permitting benefit payment amounts to be rounded to whole dollars; clarifying certain provisions with respect to the Minnesota workers' compensation reinsurance association; redefining the maximum reinsurance liability limitation as a prefunded limit; providing for a survey of closed compensation claims and an examination of insurer reserving practices; removing the exemption of political subdivisions from the definitions of insurer and insurance in chapter 79; providing for the design and implementation of an improved records and information system in the department of labor and industry; providing for the addition of rehabilitation and computer support personnel in the department of labor and industry; permitting the commissioner of labor and industry to negotiate with his counterparts in other states in jurisdictional disputes; establishing a preponderance of the evidence standard in factual determinations under chapter 176; granting subrogation rights to the

special compensation fund in third party actions; providing for lump sum permanent partial disability payments on return to work and weekly payments if an employee could but does not return to work; limiting attorneys' fees to only disputed portions of claims; providing a procedure for settlement offers by any litigant in a disputed claim proceeding; requiring claimants' attorneys to provide their clients with written information regarding fees under chapter 176; providing a penalty for attorneys who violate the fee provisions of chapter 176; providing a ten year limitation on death benefits to dependents; providing rehabilitation opportunities for dependent surviving spouses; requiring the commissioner of labor and industry to adopt disability degree schedules; prohibiting combined workers' compensation and government survivor benefits from exceeding the limit provided in chapter 176; providing a new formula for determining assessments against employers and insurers for the special compensation fund; providing for payment of attorneys' fees in disputes over supplementary benefits; requiring the commissioner of labor and industry to utilize a medical fee schedule; requiring the commissioner to review the quality of care and other aspects of medical delivery under workers' compensation; establishing a medical panel to resolve disputes over medical disability; providing for payment of wage replacement or disability payments by a group insurer under appropriate provisions pending resolution of liability dispute over compensability; providing for early payment of benefits and a penalty for delay; requiring benefit payments to be made by immediately negotiable instrument; providing that notices of discontinuance of benefit payments be sent directly to claimant by insurer; providing that division legal assistance employees be transferred to the attorney general; delaying first benefit adjustment under chapter 176 for 52 weeks from date of injury; mandating an insurance rate reduction by an amount reflecting cost savings due to benefit and administrative changes; providing penalties; appropriating money; amending Minnesota Statutes 1980, Sections 10A.01, Subdivision 18; 15.052, Subdivisions 1, 2, 3, 4, and 5; 15A.083, by adding a subdivision; 43.064; 60A.15, Subdivision 1; 60C.04; 60C.09, Subdivision 2; 79.01, Subdivisions 2 and 3; 79.071, Subdivision 1, and by adding subdivisions; 79.34, Subdivisions 1 and 2; 79.35; 79.36; 175.007; 175.11, Subdivision 1; 175.14; 175.17; 176.021, Subdivisions 1 and 3, and by adding subdivisions; 176.041, by adding a subdivision; 176.061, Subdivisions 1, 3, 4, 5, 6 and 7; 176.081, Subdivisions 1, 2, 3, 4, and 6, and by adding subdivisions; 176.101, Subdivision 3; 176.102, by adding a subdivision; 176.105, Subdivision 1; 176.111, Subdivisions 6, 7, 8, 10 and 21, and by adding a subdivision; 176.131, Subdivision 10; 176.132, Subdivision 2; 176.133; 176.136; 176.161, Subdivision 1; 176.181, Subdivisions 2 and 3, and by adding a subdivision; 176.191; 176.221; 176.225, by adding a subdivision; 176.231, Subdivisions 2 and 7; 176.241, Subdivisions 1, 2 and 3; 176.261; 176.291; 176.301, Subdivision 1; 176.305; 176.311; 176.331; 176.341, Subdivision 1; 176.351; 176.371; 176.381; 176.391; 176.401; 176.411, Subdivisions 1 and 2; 176.421, Subdivisions 1, 4, 5, 6 and 7; 176.431, Subdivision 1; 176.441, Subdivision 1; 176.461; 176.471, Subdivisions 3, 5, 6 and 8; 176.491; 176.511, Subdivision 1; 176.521, Subdivisions 1 and 2; 176.531, Subdivision 3; 176.645; and 179.74, Subdivision 4; proposing new law coded as Minnesota Statutes, Chapter 175A; and proposing new law coded in Minnesota Statutes, Chapters 79 and 176; repealing Minnesota Statutes 1980, Sections 79.071, Subdivisions 1, 2, 3, 4, 5, 6, and 7; 79.072; 79.073; 79.074, Subdivision 1; 79.075 to 79.09; 79.11 to 79.21; 79.22, Subdivision 1; 79.221 to 79.33; 175.006, Subdivisions 1a and 2; 175.0061; 175.09; 176.111, Subdivision 11; and 176.441, Subdivision 2; reenacting Laws 1980, Chapter 556, Section 12.

May 16, 1981

The Honorable Jack Davies
President of the Senate

The Honorable Harry A. Sieben, Jr.
Speaker of the House of Representatives

We, the undersigned conferees for S. F. No. 359, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate concur in the House amendments and that S. F. No. 359 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1980, Section 10A.01, Subdivision 18, is amended to read:

Subd. 18. "Public official" means any:

- (a) Member of the legislature;
- (b) Constitutional officer in the executive branch and his chief administrative deputy;
- (c) Member, chief administrative officer or deputy chief administrative officer of a state board or commission which has at least one of the following powers: (i) the power to adopt, amend or repeal rules, or (ii) the power to adjudicate contested cases or appeals;
- (d) Commissioner, deputy commissioner or assistant commissioner of any state department as designated pursuant to section 15.01;
- (e) Individual employed in the executive branch who is authorized to adopt, amend or repeal rules or adjudicate contested cases;
- (f) Executive director of the state board of investment;
- (g) Executive director of the Indian affairs intertribal board;
- (h) Commissioner of the iron range resources and rehabilitation board;
- (i) Director of mediation services;
- (j) Deputy of any official listed in clauses (e) to (i);
- (k) Judge of *the workers' compensation court of appeals* ;
- (l) Hearing examiner or *compensation judge* in the state office of administrative hearings or *hearing examiner in the department of economic security*;
- (m) Solicitor general or deputy, assistant or special assistant attorney general;
- (n) Individual employed by the legislature as secretary of the senate, legislative auditor, chief clerk of the house, revisor of statutes, or researcher or attorney in the office of senate research, senate counsel, or house research; or
- (o) Member or chief administrative officer of the metropolitan council, metropolitan transit commission, metropolitan waste control commission, metropolitan parks and open spaces commission, metropolitan airports commission or metropolitan sports facilities commission.

Sec. 2. Minnesota Statutes 1980, Section 15.052, Subdivision 1, is

amended to read:

Subdivision 1. A state office of administrative hearings is created. The office shall be under the direction of a chief hearing examiner, who shall be learned in the law and appointed by the governor, with the advice and consent of the senate, for a term ending on June 30 of the sixth calendar year after appointment. The chief hearing examiner shall appoint additional hearing examiners *and compensation judges* to serve in his office as necessary to fulfill the duties prescribed in this section. All hearing examiners *and compensation judges* shall be in the classified service except that the chief hearing examiner shall be in the unclassified service, but may be removed from his position only for cause. ~~Additionally,~~ All hearing examiners shall have demonstrated knowledge of administrative procedures and shall be free of any political or economic association that would impair their ability to function officially in a fair and objective manner. *All workers' compensation judges shall be learned in the law, shall have demonstrated knowledge of workers' compensation laws and shall be free of any political or economic association that would impair their ability to function officially in a fair and objective manner.*

Sec. 3. Minnesota Statutes 1980, Section 15.052, Subdivision 2, is amended to read:

Subd. 2. When regularly appointed hearing examiners *or compensation judges* are not available, the chief hearing examiner may contract with qualified individuals to serve as hearing examiners *or compensation judges*. Such temporary hearing examiners *or compensation judges* shall not be employees of the state.

Sec. 4. Minnesota Statutes 1980, Section 15.052, Subdivision 3, is amended to read:

Subd. 3. All hearings of state agencies required to be conducted under this chapter shall be conducted by a hearing examiner assigned by the chief hearing examiner. *All hearings required to be conducted under chapter 176 shall be conducted by a compensation judge assigned by the chief hearing examiner.* In assigning hearing examiners *or compensation judges* to conduct such hearings, the chief hearing examiner shall attempt to utilize personnel having expertise in the subject to be dealt with in the hearing. Only hearing examiners learned in the law shall be assigned to contested case hearings. *Only compensation judges shall be assigned to workers' compensation matters.* It shall be the duty of the hearing examiner to: (1) advise an agency as to the location at which and time during which a hearing should be held so as to allow for participation by all affected interests; (2) conduct only hearings for which proper notice has been given; (3) see to it that all hearings are conducted in a fair and impartial manner; ~~and~~ (4) *Except in the case of workers' compensation hearings involving claims for compensation it shall also be the duty of the chief hearing examiner to make a report on each proposed agency action in which the hearing examiner functioned in an official capacity, stating his findings of fact and his conclusions and recommendations, taking notice of the degree to which the agency has (i) documented its statutory authority to take the proposed action, (ii) fulfilled all relevant substantive and procedural requirements of law or rule, and (iii) in rulemaking proceedings, demonstrated the need for and reasonableness of its proposed action with an affirmative presentation of facts.*

Sec. 5. Minnesota Statutes 1980, Section 15.052, Subdivision 4, is

amended to read:

Subd. 4. The chief hearing examiner shall ~~promulgate~~ *adopt* rules to govern the procedural conduct of all hearings, relating to both rule adoption, amendment, suspension or repeal hearings ~~and, contested case hearings, and workers' compensation hearings. Temporary rule-making authority is granted to the chief hearing examiner for the purpose of implementing sections 2 to 6, 103 to 122, 127 to 135, and 141. Such~~ The procedural rules for hearings shall be binding upon all agencies and shall supersede any other agency procedural rules with which they may be in conflict. The procedural rules for hearings shall include in addition to normal procedural matters provisions relating to recessing and reconvening new hearings when the proposed final rule of an agency is substantially different from that which was proposed at the public hearing. The procedural rules shall establish a procedure whereby the proposed final rule of an agency shall be reviewed by the chief hearing examiner to determine whether or not a new hearing is required because of substantial changes or failure of the agency to meet the requirements of section 15.0412, subdivisions 4 to 4f. Upon his own initiative or upon written request of an interested party, the chief hearing examiner may issue a subpoena for the attendance of a witness or the production of ~~such~~ books, papers, records or other documents as are material to the matter being heard. The subpoenas shall be enforceable through the district court in the district in which the subpoena is issued.

Sec. 6. Minnesota Statutes 1980, Section 15.052, Subdivision 5, is amended to read:

Subd. 5. The office of administrative hearings may maintain a court reporter system and in addition to or in lieu thereof may contract with non-governmental sources for court reporter services. The court reporters may additionally be utilized as the chief hearing examiner directs. Unless the chief hearing examiner determines that the use of a court reporter is more appropriate, an audio magnetic recording device shall be used to keep a record at any hearing which takes place under this chapter *or under chapter 176. In cases arising under chapter 176, the chief hearing examiner, in consultation with the compensation judge, shall decide the method of recording.*

Court reporters serving in the court reporter system of the office of administrative hearings shall be in the classified service. Notwithstanding the provisions of section 15.17, subdivision 4, copies of transcriptions of hearings conducted pursuant to this section may be obtained only through the office of administrative hearings.

Sec. 7. Minnesota Statutes 1980, Section 15A.083, is amended by adding a subdivision to read:

Subd. 7. [WORKERS' COMPENSATION COURT OF APPEALS AND COMPENSATION JUDGES.] Salaries of judges of the workers' compensation court of appeals shall be 90 percent of the salary for district judges as provided in subdivision 1. Salaries of compensation judges shall be 75 percent of the salary of district court judges as provided in subdivision 1.

Sec. 8. Minnesota Statutes 1980, Section 43.064, is amended to read:

43.064 [OTHER SALARIES SET BY COMMISSIONER OF EMPLOYEE RELATIONS.]

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), (4), and (5) and for classified hearing examiners in the office of administrative hearings 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 the subsequent act that the provisions of this section shall not be applicable or shall be superseded, amended, or repealed.

Sec. 9. Minnesota Statutes 1980, Section 79.01, Subdivision 2, is amended to read:

Subd. 2. [INSURER.] The word "insurer" means any insurance carrier authorized by license issued by the commissioner of insurance to transact the business of workers' compensation insurance in this state: ~~for purposes of this subdivision "insurer" does not include and includes~~ a political subdivision providing self insurance or establishing a pool under section 471.981, subdivision 3.

Sec. 10. Minnesota Statutes 1980, Section 79.01, Subdivision 3, is amended to read:

Subd. 3. [INSURANCE.] The word "insurance" means workers' compensation insurance and insurance covering any part of the liability of an employer exempted from insuring his liability for compensation, as provided in section 176.181: ~~and includes a program of self insurance, self insurance revolving fund or pool established under section 471.981 is not insurance for purposes of this subdivision.~~

Sec. 11. Minnesota Statutes 1980, Section 79.071, is amended by adding a subdivision to read:

Subd. 1a. If the legislature enacts amendments to the workers' compensation laws of this state which indicate a reduction in the schedule of rates, or the commissioner determines that the loss experience of Minnesota workers' compensation insurers indicates a change in the existing schedule of rates, the commissioner may, in his discretion, order a change in the schedule of rates or order a hearing to determine whether and by what percentage the schedule of rates should be changed. A hearing held pursuant to this subdivision is not

subject to the contested case proceeding requirements of sections 79.071 and 79.072, notwithstanding section 79.076.

Sec. 12. Minnesota Statutes 1980, Section 79.071, is amended by adding subdivisions to read:

Subd. 8. When an insurer's estimate of amounts required to be reserved is based in any part on the operation of section 176.645, any assumption as to reserves required due to the operation of section 176.645, shall, for the purposes of determining rates, be offset by an assumption that the amount initially reserved shall be invested and yield a return equal to the annual percentage increase in the statewide average weekly wage. With respect to other reserved amounts, the commissioner shall, in determining rates, cause those rates to fully reflect the investment earnings of insurers which arise from revenues derived from the sale of workers' compensation insurance, either by use of a discount rate of no less than six percent in determining the reserves necessary for all claims, or by the use of an alternative methodology which the commissioner finds is more appropriate. Insurers shall provide the commissioner with any information which he deems necessary to arrive at the determination required by this subdivision.

Subd. 9. In no case shall more than one insurer reserve amounts in anticipation of losses on a single claim; nor shall an insurer reserve amounts in anticipation of losses which are the responsibility of the reinsurance association.

Subd. 10. No modification by an insurer or the association of an experience rating plan, an experience rating plan formula or an experience rating factor is effective unless approved by the commissioner of insurance.

Sec. 13. Minnesota Statutes 1980, Section 79.25, is amended to read:

79.25 [ASSOCIATION COMMISSIONER TO FIX PREMIUM RATES.]

~~Subdivision 1.~~ When any rejected risk is called to its attention and it appears that the risk is in good faith entitled to coverage the ~~association~~ commissioner of insurance shall fix the initial premium therefor and may fix an additional charge to compensate the agent of record for his services and, upon its payment, the ~~association~~ commissioner of insurance shall enter into a service contract with one or more qualified ~~designate a member~~ members of the association, or qualified group self-insurance administrators licensed pursuant to section 176.181, subdivision 2, clause (2) (a), whose duty it shall be to issue a policy, or a group self-insurance administration contract, containing the usual and customary provisions found in such policies or contracts therefor, but for which undertaking all members of the association shall be reinsurers as among themselves in the amount which the compensation insurance written in this state during the preceding calendar year by that member bears to the total compensation insurance written in this state during the preceding year by all the members of the association. The assigned risk plan shall be treated as a group self-insurer member of the reinsurance association for the purposes of sections 79.34 to 79.40 and shall be deemed to have selected the higher retention limit provided in section 79.34, subdivision 2. A qualified member or group self-insurance administrator shall possess sufficient financial, professional, administrative and personnel resources to serve the policies or self-insurance contracts contemplated in the service contract.

Subd. 2. An insurer that issues a policy pursuant to this section shall not receive an expense allowance that exceeds the expense allowance approved by the commissioner for other insurers.

Sec. 14. [79.251] [ADMINISTRATION OF ASSIGNED RISK PLAN.]

Subdivision 1. [ASSIGNED RISK PLAN REVIEW BOARD.] (1) An assigned risk plan review board is created for the purposes of review of the operation of sections 79.24 to 79.27. The board shall have all the usual powers and authorities necessary for the discharge of its duties under this section and may contract with individuals in discharge of those duties.

(2) The board shall consist of five members to be appointed by the commissioner of insurance. Two members shall be insureds holding policies issued pursuant to section 79.25. Two members shall be members of the association. The commissioner shall be the fifth member and shall vote.

Initial appointments shall be made by September 1, 1981 and terms shall be for three years duration. Removal, the filling of vacancies and compensation of the members other than the commissioner shall be as provided in section 15.059.

(3) The assigned risk review board shall audit the reserves established by insurers (a) for individual cases arising under policies issued under section 79.25 and (b) for the total book of business issued under section 79.25.

(4) The assigned risk review board shall monitor the operations of sections 79.24 to 79.27 and shall periodically make recommendations to the commissioner, and to the governor and legislature when appropriate, for improvement in the operation of those sections.

(5) All members of the association issuing policies under 79.25 shall pay and the commissioner shall receive and disburse, on behalf of the board, a .25 percent assessment on premiums for policies issued under section 79.25 for the purpose of defraying the costs of the assigned risk review board.

Subd. 2. [APPROPRIATE MERIT RATING PLAN.] The commissioner shall develop an appropriate merit rating plan which shall be applicable to all insureds holding policies issued pursuant to section 79.25 whose premium is less than the amount necessary to qualify for experience rating and to the insurers issuing those policies. The plan shall provide a maximum merit payment equal to ten percent of earned premium. The actual payment may vary with insured's loss experience.

Sec. 15. Minnesota Statutes 1980, Section 79.26, is amended to read:

79.26 [ASSOCIATION COMMISSIONER TO ADOPT RULES.]

~~The association shall~~ *commissioner of insurance may make and adopt such rules as may be necessary to carry this law into effect; subject to an appeal to the commissioner as in all other cases. Temporary rule-making authority is granted.*

Sec. 16. Minnesota Statutes 1980, Section 79.27, is amended to read:

79.27 [APPLICATION.]

As a prerequisite to the transaction of workers' compensation insurance in this state every insurance carrier shall file with the commissioner of insurance

written authority permitting the ~~association~~ commissioner of insurance to act in its behalf, as provided in sections 79.24 to 79.27.

Sec. 17. Minnesota Statutes 1980, Section 79.34, Subdivision 1, is amended to read:

Subdivision 1. A nonprofit association known as the workers' compensation reinsurance association is created, which may be incorporated under chapter 317 with all the powers of a corporation formed under that chapter, except that if the provisions of that chapter are inconsistent with sections 79.34 to 79.42 or any amendments thereto, sections 79.34 to 79.42 shall govern. Each insurer as defined by section 79.01, subdivision 2, shall as a condition of its authority to transact workers' compensation insurance in this state, be a member of the reinsurance association and shall be bound by the plan of operation of the reinsurance association; *provided, that all affiliated insurers within a holding company system as defined in sections 60D.01 to 60D.13 shall be considered a single entity for purposes of the exercise of all rights and duties of membership in the reinsurance association.* Each self-insurer approved pursuant to section 176.181 and each political subdivision which self-insures shall, as a condition of its authority to self-insure workers' compensation liability in this state, be a member of the reinsurance association and shall be bound by its plan of operation; *provided, that (a) all affiliated companies within a holding company system, as determined by the commissioner in a manner consistent with the standards and definitions in sections 60D.01 to 60D.13, shall be considered a single entity for purposes of the exercise of all rights and duties of membership in the reinsurance association, and (b) all group self-insurers granted authority to self-insure pursuant to section 176.181 shall be considered a single entity for purposes of the exercise of all the rights and duties of membership in the reinsurance association.* The reinsurance association shall not be deemed a state agency. Actions of the reinsurance association and its board of directors and actions of the commissioner of insurance with respect to the reinsurance association shall not be subject to chapter 15. The reinsurance association shall be exempt from taxation under the laws of this state and all property owned by the association shall be exempt from taxation. The reinsurance association shall not be obligated to make any payments or pay any assessments to any funds or pools established pursuant to this chapter or chapter 176 or any other law.

Sec. 18. Minnesota Statutes 1980, Section 79.34, Subdivision 2, is amended to read:

Subd. 2. The reinsurance association shall provide and each member shall accept indemnification for 100 percent of the amount of ultimate loss sustained in each loss occurrence relating to one or more claims arising out of a single compensable event, including aggregate losses related to a single event or occurrence which constitutes a single loss occurrence, under chapter 176 on and after October 1, 1979, in excess of \$300,000 or \$100,000 retention limit, at the option of the member. In case of occupational disease causing disablement on and after October 1, 1979, each person suffering such disablement shall be considered to be involved in a separate loss occurrence. ~~Each~~ *The* lesser retention limit shall be increased to the nearest \$10,000, on January 1, 1981 1982 and on each January 1 thereafter by the percentage increase in the statewide average weekly wage, as determined in accordance with section 176.011, subdivision 20. *On January 1, 1982 and on each January 1 thereafter*

ter, the greater retention limit shall be increased by the amount necessary to retain a \$200,000 difference between the two retention limits. Ultimate loss as used in this section means the actual loss amount which a member is obligated to pay and which is paid by the member for workers' compensation benefits payable under chapter 176 and shall not include claim expenses, assessments, damages or penalties. A loss is incurred by the reinsurance association on the date on which the accident or other compensable event giving rise to the loss occurs, and a member is liable for a loss up to its retention limit in effect at the time that the loss was incurred, except that members which are determined by the reinsurance association to be controlled by or under common control with another member, and which are liable for claims from one or more employees entitled to compensation for a single compensable event, including aggregate losses relating to a single loss occurrence, may aggregate their losses and obtain indemnification from the reinsurance association for the aggregate losses in excess of the higher retention limit in effect at the time the loss was incurred. Each member is liable for payment of its ultimate loss and shall be entitled to indemnification from the reinsurance association for the ultimate loss in excess of the member's retention limit in effect at the time of the loss occurrence.

A member that chooses the higher retention limit shall retain the liability for all losses below the higher retention limit itself and shall not transfer the liability to any other entity or reinsure or otherwise contract for reimbursement or indemnification for losses below its retention limit, except in the following cases: (a) when the reinsurance or contract is with another member which, directly or indirectly, through one or more intermediaries, control or are controlled by or are under common control with the member; (b) when the reinsurance or contract provides for reimbursement or indemnification of a member if and only if the total of all claims which the member pays or incurs, but which are not reimbursable or subject to indemnification by the reinsurance association for a given period of time, exceeds a dollar value or percentage of premium written or earned and stated in the reinsurance agreement or contract; (c) when the reinsurance or contract is a pooling arrangement with other insurers where liability of the member to pay claims pursuant to chapter 176 is incidental to participation in the pool and not as a result of providing workers' compensation insurance to employers on a direct basis under chapter 176; or (d) any other reinsurance or contract approved by the commissioner upon his determination that the reinsurance or contract is not inconsistent with the bases for exception provided under clauses (a), (b) and (c) above (d) when the reinsurance or contract is limited to all the claims of a specific insured of a member which are reimbursed or indemnified by a reinsurer which, directly or indirectly, through one or more intermediaries, controls or is controlled by or is under common control with the insured of the member so long as any subsequent contract or reinsurance of the reinsurer relating to the claims of the insured of a member is not inconsistent with the bases of exception provided under clauses (a), (b) and (c) above; or (e) when the reinsurance or contract is limited to all claims of a specific self-insurer member which are reimbursed or indemnified by a reinsurer which, directly or indirectly, through one or more intermediaries, controls or is controlled by or is under common control with the self-insurer member so long as any subsequent contract or reinsurance of the reinsurer relating to the claims of the self-insurer member are not inconsistent with the bases for exception provided under clauses (a), (b) and (c) above.

Whenever it appears to the commissioner that any member that chooses the higher retention limit has participated in the transfer of liability to any other entity or reinsured or otherwise contracted for reimbursement or indemnification of losses below its retention limit in a manner inconsistent with the bases

for exception provided under clauses (a), (b), (c), (d), and (e), the commissioner may, after giving notice and an opportunity to be heard, order the member to pay to the state of Minnesota an amount not to exceed twice the difference between the reinsurance premium for the higher and lower retention limit applicable to the member for each year in which the prohibited reinsurance or contract was in effect. Any member subject to this penalty provision shall continue to be bound by its selection of the higher retention limit for purposes of membership in the reinsurance association.

Sec. 19. Minnesota Statutes 1980, Section 79.35, is amended to read:

79.35 [DUTIES; RESPONSIBILITIES; POWERS.]

The reinsurance association shall do the following on behalf of its members:

- (a) Assume 100 percent of the liability as provided in section 79.34;
- (b) Establish procedures by which members shall promptly report to the reinsurance association each claim which, on the basis of the injury sustained, may reasonably be anticipated to involve liability to the reinsurance association if the member is held liable under chapter 176. Solely for the purpose of reporting claims, the member shall in all instances consider itself legally liable for the injury. The member shall advise the reinsurance association of subsequent developments likely to materially affect the interest of the reinsurance association in the claim;
- (c) Maintain relevant loss and expense data relative to all liabilities of the reinsurance association and require each member to furnish statistics in connection with liabilities of the reinsurance association at the times and in the form and detail as may be required by the plan of operation;
- (d) Calculate and charge to members a total premium sufficient to cover the expected liability which the reinsurance association will incur in excess of the higher retention limit but less than ~~\$500,000~~ *the prefunded limit*, together with incurred or estimated to be incurred operating and administrative expenses *for the period to which this premium applies* and actual claim payments *to be made by members, during the period to which this premium applies*, for claims in excess of ~~\$500,000~~ *for the period to which this premium is applicable the prefunded limit in effect at the time the loss was incurred. The prefunded limit shall be \$2,500,000 on and after October 1, 1979, provided that the prefunded limit shall be increased on January 1, 1983 and on each January 1 thereafter by the percentage increase in the statewide average weekly wage, to the nearest \$100,000, as determined in accordance with section 176.011, subdivision 20.* Each member shall be charged a proportion of the total premium in an amount equal to its proportion of the total standard earned premium of all members during the period to which the reinsurance association premium will apply, as determined by the commissioner. Each member exercising the lower retention option shall also be charged a premium established by the board as sufficient to cover incurred or estimated to be incurred claims for the liability the reinsurance association is likely to incur between the lower and higher retention limits for the period to which the premium applies. ~~Each member's premium member~~

shall include an amount also be charged a premium determined by the board to equitably distribute excess or deficient premiums from previous periods including any excess or deficient premiums resulting from a retroactive change in the prefunded limit. An equitable basis for determining standard earned premium for self-insurers shall be established by the commissioner. The premiums charged to members shall not be unfairly discriminatory as defined in section 79.074. All premiums shall be approved by the commissioner;

(e) Require and accept the payment of premiums from members of the reinsurance association;

(f) Receive and distribute all sums required by the operation of the reinsurance association;

(g) Establish procedures for reviewing claims procedures and practices of members of the reinsurance association. If the claims procedures or practices of a member are considered inadequate to properly service the liabilities of the reinsurance association, the reinsurance association may undertake, or may contract with another person, including another member, to adjust or assist in the adjustment of claims which create a potential liability to the association and may charge the cost of the adjustment to the member; and

(h) Provide each member of the reinsurance association with an annual report of the operations of the reinsurance association in a form the board of directors may specify.

Sec. 20. Minnesota Statutes 1980, Section 79.36, is amended to read:

79.36 [ADDITIONAL POWERS.]

In addition to the powers granted in section 79.35, the reinsurance association may do the following:

(a) Sue and be sued. A judgment against the reinsurance association shall not create any direct liability against the individual members of the reinsurance association. The reinsurance association shall provide in the plan of operation for the indemnification, to the extent provided in the plan of operation, of the members, members of the board of directors of the reinsurance association, and officers, employees and other persons lawfully acting on behalf of the reinsurance association;

(b) Reinsure all or any portion of its potential liability, including potential liability in excess of \$500,000 the prefunded limit, with reinsurers licensed to transact insurance in this state or otherwise approved by the commissioner;

(c) Provide for appropriate housing, equipment, and personnel as may be necessary to assure the efficient operation of the reinsurance association;

(d) Contract for goods and services, including but not limited to independent claims management, actuarial, investment, and legal services from others within or without this state to assure the efficient operation of the reinsurance association;

(e) Adopt operating rules, consistent with the plan of operation, for the administration of the reinsurance association, enforce those operating rules, and delegate authority as necessary to assure the proper administration and operation of the reinsurance association;

(f) Intervene in or prosecute at any time, including but not limited to inter-

vention or prosecution as subrogee to the member's rights in a third party action, any proceeding under this chapter or chapter 176 in which liability of the reinsurance association may, in the opinion of the board of directors of the reinsurance association or its designee, be established, or the reinsurance association affected in any other way;

(g) The net proceeds derived from intervention or prosecution of any subrogation interest, or other recovery, shall first be used to reimburse the reinsurance association for amounts paid or payable pursuant to this chapter, together with any expenses of recovery, including attorney's fees, and any excess shall be paid to the member or other person entitled thereto, as determined by the board of directors of the reinsurance association, unless otherwise ordered by a court.

(h) Hear and determine complaints of a company or other interested party concerning the operation of the reinsurance association; and

(i) Perform other acts not specifically enumerated in this section which are necessary or proper to accomplish the purposes of the reinsurance association and which are not inconsistent with sections 79.34 to 79.42 or the plan of operation.

Sec. 21. [79.50] [PURPOSES.]

The purposes of chapter 79 are to:

(a) *Promote public welfare by regulating insurance rates so that premiums are not excessive, inadequate, or unfairly discriminatory;*

(b) *Promote quality and integrity in the data bases used in workers' compensation insurance ratemaking;*

(c) *Prohibit price fixing agreements and anticompetitive behavior by insurers;*

(d) *Promote price competition and provide rates that are responsive to competitive market conditions;*

(e) *Provide a means of establishment of proper rates if competition is not effective;*

(f) *Define the function and scope of activities of data service organizations;*

(g) *Provide for an orderly transition from regulated rates to competitive market conditions; and*

(h) *Encourage insurers to provide alternative innovative methods whereby employers can meet the requirements imposed by section 176.181.*

Sec. 22. [79.51] [RULES.]

Subdivision 1. [ADOPTION; WHEN.] The commissioner shall adopt rules to implement provisions of chapter 79. The rules shall be finally adopted after May 1, 1982. By January 15, 1982, the commissioner shall provide the legislature a description and explanation of the intent and anticipated effect of the rules on the various factors of the rating system.

Subd. 2. [TRANSITION PERIOD; RULES GOVERN.] Insurance rates from July 1, 1983, to December 31, 1985, shall be determined in accordance with rules adopted by the commissioner. The rules shall require (1) that a

hearing be held pursuant to the provisions of section 79.071 to consider any petition requesting modification of rates and (2) that following the hearing the commissioner shall adopt a schedule of rates.

Subd. 3. [RULES; SUBJECT MATTER.] (a) The commissioner in issuing rules shall consider:

(1) Data reporting requirements, including types of data reported, such as loss and expense data;

(2) Experience rating plans;

(3) Retrospective rating plans;

(4) General expenses and related expense provisions;

(5) Minimum premiums;

(6) Classification systems and assignment of risks to classifications;

(7) Loss development and trend factors;

(8) The workers' compensation reinsurance association;

(9) Restrictions, prohibitions, and requirements with respect to the activities of the workers' compensation insurers rating association of Minnesota during the period from July 1, 1983 to January 1, 1986;

(10) Requiring substantial compliance with the rules mandated by this section as a condition of workers' compensation carrier licensure;

(11) Imposing limitations on the functions of workers' compensation data service organizations consistent with the introduction of competition;

(12) The rules contained in the workers' compensation rating manual adopted by the workers' compensation insurers rating association; and

(13) Any other factors that the commissioner deems relevant to achieve the purposes of chapter 79.

(b) The rules shall provide for the following:

(1) Competition in workers' compensation insurance rates in such a way that the advantages of competition are introduced with a minimum of employer hardship during the transition period;

(2) Adequate safeguards against excessive or discriminatory rates in workers' compensation during the transition period;

(3) Encouragement of workers' compensation insurance rates which are as low as reasonably necessary, but shall make provision against inadequate rates, insolvencies and unpaid benefits;

(4) Assurances that employers are not unfairly relegated to the assigned risk pool;

(5) Requiring all appropriate data and other information from insurers for the purpose of issuing rules and making legislative recommendations pursuant to this section; and

(6) Preserving a framework for risk classification, data collection, and other appropriate joint insurer services where these will not impede the introduction

of competition in premium rates.

(c) The rules shall expire on January 1, 1986.

Subd. 4. [ADVISORY COMMITTEE.] *The commissioner shall appoint an advisory committee which shall offer recommendations regarding rulemaking under this section. The advisory committee shall include representatives of insurers, employers, and employees.*

Sec. 23. [79.52] [DEFINITIONS.]

Subdivision 1. [GENERALLY.] *The following words or phrases shall have the meanings ascribed to them for the purposes of chapter 79, unless the context clearly indicates that a different meaning is intended.*

Subd. 2. [MARKET.] *"Market" means any reasonable grouping or classification of employers.*

Subd. 3. [DATA SERVICE ORGANIZATION.] *"Data service organization" means any entity which has ten or more members or is controlled directly or indirectly by ten or more insurers and is engaged in collecting data for use in insurance ratemaking or other activities permitted by chapter 79. Affiliated members or insurers shall be counted as a single unit for the purpose of this definition. The workers' compensation insurers rating association of Minnesota shall be considered a data service organization.*

Subd. 4. [CLASSIFICATION PLAN; CLASSIFICATION.] *"Classification plan" or "classification" means the plan, system, or arrangement for rating insurance policyholders.*

Subd. 5. [RATES.] *"Rates" means the cost of insurance per-exposure base unit.*

Subd. 6. [BASE PREMIUM.] *"Base premium" means the amount of premium which an employer would pay for insurance derived by applying rates to an exposure base prior to the application of any merit rating or discount factors.*

Subd. 7. [PREMIUM.] *"Premium" means the price charged to an insured for insurance for a specified period of time, regardless of the timing of actual payments.*

Subd. 8. [DISCOUNT FACTOR.] *"Discount factor" means any factor which is applied to the base premium and which is based upon insurer expenses or other factors not related to the risk of loss.*

Subd. 9. [MERIT RATING.] *"Merit rating" means a system or form of rating by which base premium is modified on the basis of loss experience or other factors which are reasonably related to loss or risk of loss and which may be reasonably affected by the action or activities of the insured. The sensitivity of a merit rating system to loss experience may vary by the size of risk. Merit rating shall include both prospective and retrospective methods for modifying base premium.*

Subd. 10. [LOSS DEVELOPMENT FACTORS.] *"Loss development factors" means factors applied to recorded incurred losses to estimate the amount of ultimate loss payments that will have been made for losses during the applicable period when all claims are paid.*

Subd. 11. [TREND OR TRENDING.] "Trend" or "trending" means any procedure employing data for the purpose of projecting or forecasting the future value of that data or other data, or the factors resulting from such a procedure.

Subd. 12. [INTERESTED PARTY.] "Interested party" means any person, or association acting on behalf of its members, directly affected by a change in the schedule of rates and includes the staff of the insurance division.

Subd. 13. [INSURER.] "Insurer" means any insurer licensed to transact the business of workers' compensation insurance in this state.

Subd. 14. [INSURANCE.] "Insurance" means workers' compensation insurance.

Subd. 15. [RATING PLAN.] "Rating plan" means every manual, and every other rule including discount factors and merit rating necessary for the calculation of an insured's premium from an insurer's rates. An insurer may choose to adopt for use the rating plan of the data service organization in which it maintains membership.

Sec. 24. [79.53] [PREMIUM CALCULATION.]

Each insurer shall establish premiums to be paid by an employer according to its filed rates and rating plan as follows:

Rates shall be applied to an exposure base to yield a base premium which may be further modified by merit rating, premium discounts, and other appropriate factors contained in the rating plan of an insurer to produce premium. Nothing in this chapter shall be deemed to prohibit the use of any premium, provided the premium is not excessive, inadequate or unfairly discriminatory.

Sec. 25. [79.54] [COMPETITIVE MARKET PRESUMPTION.]

A competitive market is presumed to exist until the commissioner, after a hearing on the record, determines that a reasonable degree of competition does not exist and issues an order to that effect. The order shall include the conditions and procedures under which a determination of insufficient competition shall expire.

Sec. 26. [79.55] [STANDARDS FOR RATES.]

Subdivision 1. [GENERAL STANDARDS.] Premiums shall not be excessive, inadequate, or unfairly discriminatory.

Subd. 2. [EXCESSIVENESS.] No premium is excessive in a competitive market. In the absence of a competitive market, premiums are excessive if the expected underwriting profit, together with expected income from invested reserves for the market in question, that would accrue to an insurer would be unreasonably high in relation to the risk undertaken by the insurer in transacting the business.

Subd. 3. [INADEQUACY.] Premiums are inadequate if, together with the investment income associated with an insurer's Minnesota workers' compensation insurance business, they are clearly insufficient to sustain projected losses and expenses of the insurer and (a) if their continued use could lead to an insolvent situation for the insurer; or (b) if their use destroys or lessens competition or is likely to destroy or lessen competition.

Subd. 4. [UNFAIR DISCRIMINATION.] Premiums are unfairly discriminatory if differentials for insureds fail to reasonably reflect the differences in expected losses and expenses to the insurer attributable to the insureds. Rates are not unfairly discriminatory solely because different premiums result for insureds with like loss exposures but different expense factors, or like expense factors but different loss exposures, provided that rates reflect the differences with reasonable accuracy.

Sec. 27. [79.56] [FILING RATES AND RATING INFORMATION.]

Subdivision 1. [AFTER EFFECTIVE DATE.] Each insurer shall file with the commissioner a complete copy of its rates and rating plan, and all changes and amendments thereto, within 15 days after their effective dates. An insurer need not file a rating plan if it uses a rating plan filed by a data service organization. If an insurer uses a rating plan of a data service organization but deviates from it, then all deviations must be filed by the insurer.

Subd. 2. [BEFORE EFFECTIVE DATE.] The commissioner may order an insurer to file rates at least 30 days before the effective date of the rates (a) if the commissioner determines, based upon reasonable evidence, that an order is appropriate because of the insurer's financial condition or (b) due to a prior finding of unfairly discriminatory rating practices; or (c) due to a prior finding of inadequate rates. The order may require that supplementary rate and supporting information be included in a filing.

Subd. 3. [PENALTIES.] Any insurer using a rate or a rating plan which has not been filed shall be subject to a fine of up to \$100 for each day the failure to file continues. The commissioner may, after a hearing on the record, find that the failure is willful. A willful failure to meet filing requirements shall be punishable by a fine of up to \$500 for each day during which a willful failure continues. These penalties shall be in addition to any other penalties provided by law.

Subd. 4. [PUBLIC INSPECTION.] All filings shall be open to public inspection during normal business hours at the offices of the insurance division.

Sec. 28. [79.57] [FILING RATES; NONCOMPETITIVE MARKET.]

Upon making a determination that a market is not competitive, the commissioner shall require rates for use in that market to be filed 30 days prior to their effective date. The filing shall include, in a form prescribed by the commissioner, an explanation of the rates and any data supporting the use of the rates which are not on file with a data service organization.

The commissioner may issue an order for a hearing at any time prior to the effective date of the rates and the rates shall not become effective until the commissioner has ruled on the rates following the hearing.

The commissioner may disapprove the rates subsequent to their effective date, except that rates so disapproved shall remain effective until the commissioner issues an order following a hearing.

Sec. 29. [79.58] [DISAPPROVAL OF RATES OR RATING PLANS.]

Subdivision 1. [RATES.] A rate filed by an insurer may be disapproved by the commissioner subsequent to its effective date. Following a disapproval and prior to a refiling the insurer shall use the rates as reasonably established by

the commissioner.

The commissioner shall disapprove a rate if, after a hearing on the record, he finds that:

(a) The premium is inadequate or unfairly discriminatory; or

(b) A competitive market for workers' compensation does not exist and rates are excessive; or

(c) The insurer failed to comply with filing requirements.

A rehearing shall be held within 30 days of any disapproval under this section at the request of the insurer whose rates are disapproved.

Subd. 2. [RATING PLANS.] The commissioner may disapprove a rating plan of a data service organization if, after a hearing, the commissioner finds that it is unfairly discriminatory. Any order of disapproval shall require the data service organization to use an alternative rating plan until approval of a rating plan by the commissioner. The commissioner shall not approve any rating plan based upon any data other than Minnesota data, except that other data may be utilized as a supplement to Minnesota data when the commissioner determines that an exceptional case requires such data to establish the statistical credibility of an occupational classification.

Sec. 30. [79.59] [INSURERS AND DATA SERVICE ORGANIZATIONS; PROHIBITED ACTIVITIES.]

Subdivision 1. [MONOPOLIZATION.] No insurer or data service organization shall attempt to monopolize or combine or conspire with any other person to monopolize the business of insurance.

Subd. 2. [AGREEMENT PROHIBITED.] No insurer shall agree with any other insurer or with a data service organization to adhere to or to use any rate, rating plan, rating schedule, rating rule, or underwriting rule except as specifically authorized by chapter 79 or for the purpose of creating experience modifications for employers with employees in more than one state.

Subd. 3. [TRADE RESTRAINT.] No insurer or data service organization shall make an agreement with any other insurer, data service organization, or other person which has the purpose or the effect of restraining trade or of substantially lessening competition.

Subd. 4. [EXCEPTIONS.] The fact that insurers writing not more than 25 percent of the workers' compensation premiums in Minnesota use the same rates, rating plans, rating schedules, rating rules, underwriting rules, or similar materials shall not alone constitute a violation of subdivisions 1 or 2.

Two or more insurers under common ownership or operating under common management or control may act in concert between or among themselves with respect to matters authorized under chapter 79 as if they constituted a single insurer, provided that the rating plan of such insurers shall be considered to be a single plan for the purposes of determining unfair discrimination.

Subd. 5. [ADDITIONAL PROHIBITION.] In addition to other prohibitions contained in this chapter, no data service organization shall:

(a) Refuse to supply any service for which it is licensed or any data, except for data identifiable to an individual insurer, to any insurer authorized to do

business in this state which offers to pay the usual compensation for the service or data;

(b) Require the purchase of any specific service as a condition to obtaining any other services sought;

(c) Participate in the development or distribution of rates, rating plans, or rating rules except as specifically authorized by this chapter or by rules adopted pursuant to this chapter; or

(d) Refuse membership to any licensed insurer.

Sec. 31. [79.60] [INSURERS; REQUIRED AND PERMITTED ACTIVITY.]

Subdivision 1. [REQUIRED ACTIVITY.] Each insurer shall perform the following activities:

(a) Maintain membership in and report loss experience data to a licensed data service organization in accordance with the statistical plan and rules of the organization as approved by the commissioner;

(b) Establish a plan for merit rating which shall be consistently applied to all insureds, provided that members of a data service organization may use merit rating plans developed by that data service organization;

(c) Provide an annual report to the commissioner containing the information and prepared in the form required by the commissioner; and

(d) Keep a record of the premiums and losses paid under each workers' compensation policy written in Minnesota in the form required by the commissioner.

Subd. 2. [PERMITTED ACTIVITY.] In addition to any other activities not prohibited by chapter 79, insurers may:

(a) Through licensed data service organizations, individually, or with insurers commonly owned, managed, or controlled, conduct research and collect statistics to investigate, identify, and classify information relating to causes or prevention of losses;

(b) Develop and use classification plans and rates based upon any reasonable factors; and

(c) Develop rules for the assignment of risks to classifications.

Sec. 32. [79.61] [DATA SERVICE ORGANIZATIONS; REQUIRED AND PERMITTED ACTIVITY.]

Subdivision 1. [REQUIRED ACTIVITY.] Any data service organization shall perform the following activities:

(a) File statistical plans, including classification definitions, amendments to the plans, and definitions, with the commissioner for approval, and assign each compensation risk written by its members to its approved classification for reporting purposes;

(b) Establish requirements for data reporting and monitoring methods to maintain a high quality data base;

(c) Prepare and distribute a periodic report, in a form prescribed by the

commissioner, on ratemaking including, but not limited to the following elements:

- (i) development factors and alternative derivations;
- (ii) trend factors and alternative derivations and applications;
- (iii) pure premium relativities for the approved classification system for which data are reported, provided that the relativities for insureds engaged in similar occupations and presenting substantially similar risks shall, if different, differ by at least ten percent; and
- (iv) an evaluation of the effects of changes in law on loss data.

The report shall also include explicit discussion and explanation of methodology, alternatives examined, assumptions adopted, and areas of judgment and reasoning supporting judgments entered into, and the effect of various combinations of these elements on indications for modification of an overall pure premium rate level change. The pure premium relativities and rate level indications shall not include a loading for expenses or profit and no expense or profit data or recommendations relating to expense or profit shall be included in the report or collected by a data service organization;

(d) Collect, compile, summarize, and distribute data from members or other sources pursuant to a statistical plan approved by the commissioner;

(e) Prepare merit rating plan and calculate any variable factors necessary for utilization of the plan. Such a plan may be used by any of its members, at the option of the member provided that the application of a plan shall not result in rates that are unfairly discriminatory;

(f) Provide loss data specific to an insured to the insured at a reasonable cost;

(g) Distribute information to an insured or interested party that is filed with the commissioner and is open to public inspection; and

(h) Assess its members for operating expenses on a fair and equitable basis.

Subd. 2. [PERMITTED ACTIVITY.] In addition to any other activities not prohibited by chapter 79, any data service organization may:

(a) Collect and analyze data in order to investigate, identify, and classify information relating to causes or prevention of losses;

(b) Make inspections for the sole purpose of reporting and maintaining data quality;

(c) Contract with another data service organization to fulfill any of the above requirements; and

(d) Prepare and file with the commissioner a rating plan for use by any of its members, provided that no member may be required to use any part of the plan.

Sec. 33. [79.62] [DATA SERVICE ORGANIZATIONS; LICENSING, EXAMINATION.]

Subdivision 1. [LICENSE REQUIRED.] No data service organization shall provide any service and no insurer shall use the services of a data service organization unless the organization is licensed by the commissioner.

Subd. 2. [PROCEDURE; APPLICATION.] A data service organization shall apply for a license in a form and manner prescribed by the commissioner. The application of a data service organization shall include:

(a) A copy of its constitution, articles of incorporation, bylaws, and other rules pertaining to the conduct of its business;

(b) A plan and narrative describing how it will perform the activities required by section 32;

(c) A statement showing its technical qualifications; and

(d) Any other information that the commissioner may reasonably require.

Subd. 3. [ISSUANCE.] The commissioner, upon finding that the applicant organization is qualified to provide the services required and proposed, or has contracted with a licensed data service organization to purchase these services which are required by chapter 79 but are not provided directly by the applicant, and that all requirements of law are met, shall issue a license. Licenses shall remain in effect until the licensee withdraws from business or until the license is suspended or revoked.

Subd. 4. [SUSPENSION; REVOCATION.] The commissioner may, after a hearing on the record, revoke or suspend the license of a data service organization if he finds that the organization is not in compliance with the requirements of chapter 79 or rules issued thereunder.

Subd. 5. [LICENSEE EXAMINATION.] The commissioner may examine any licensed data service organization to determine whether its activities and practices comply with law. The cost of the examination shall be paid by the examined organization.

Sec. 34. [79.63] [ASSIGNED RISK PLAN.]

Subdivision 1. [ADMINISTRATION.] The commissioner shall appoint a licensed data service organization to administer the assigned risk plan. The appointed data service organization shall submit to the commissioner for approval a plan and rules for administering the assigned risk plan, including a method or formula by which the organization is to be paid for administrative services.

Subd. 2. [REJECTION; NOTICE.] An insurer that refuses to write insurance for an applicant shall furnish the applicant a written notice of refusal and shall file a copy of the notice of refusal with the data service organization appointed pursuant to subdivision 1. Servicing insurers designated pursuant to subdivision 3 shall accept and insure any applicant for workers' compensation insurance assigned pursuant to subdivision 3.

Subd. 3. [ASSIGNMENT.] An insurer or insurers shall be designated by the data service organization appointed pursuant to subdivision 1 to issue a policy of workers' compensation insurance to an applicant which has been refused insurance. A policy shall contain the usual and customary provisions of workers' compensation insurance policies, but for which undertaking all insurers doing workers' compensation business in this state shall be reinsurers among themselves in the amount which the compensation insurance written in this state during the preceding calendar year by each insurer bears to the total compensation insurance written in this state during that calendar year by all

insurers.

An insurer that issues a policy pursuant to this section shall receive an expense allowance which shall be adequate for services rendered, as approved by the commissioner.

Subd. 4. [PENALTY.] The commissioner may revoke the license of an insurer or agent for refusing or failing to provide an applicant with written refusal pursuant to subdivision 2 or for any other violation of this section or of the approved rules of a data service organization.

Subd. 5. [ASSIGNED RISK RATES.] Insureds served by the workers' compensation insurance assigned risk plan shall be charged premiums based upon a rating plan, rates, and a merit rating plan adopted by the commissioner by rule. This rating plan shall include a feature by which rates shall vary in relation to the number or proportion of insureds in the assigned risk plan in the preceding calendar year. This relationship shall be such that assigned risk rates shall vary upward as the number or proportion of insureds in the assigned risk plan decreases and downward as the number or proportion increases. Assigned risk premiums shall not be lower than the rates generally charged by insurers for the business.

Sec. 35. Minnesota Statutes 1980, Section 60C.04, is amended to read:

60C.04 [CREATION.]

All insurers subject to the provisions of Laws 1971, Chapter 145 shall form an organization to be known as the Minnesota insurance guaranty association. All insurers defined as member insurers in section 60C.03, subdivision 6, are and shall remain members of the association as a condition of their authority to transact insurance business or to execute surety bonds in this state. The association shall perform its functions under a plan of operation established and approved under section 60C.07 and shall exercise its powers through a board of directors established under section 60C.08. For purposes of administration and assessment the association shall be divided into ~~four~~ five separate accounts: (1) the automobile insurance account, (2) the township mutuals account, (3) the fidelity and surety bond account ~~and~~, (4) the account for all other insurance to which Laws 1971, Chapter 145 applies, and (5) the workers' compensation insurance account.

Sec. 36. Minnesota Statutes 1980, Section 60C.09, Subdivision 2, is amended to read:

Subd. 2. [LIMITATION OF AMOUNT.] Payment of a covered claim is limited to the amount by which the allowance on any claim exceeds \$100 and is less than \$300,000. The limitation on the amount of payment for a covered claim does not apply to claims for workers' compensation insurance. In no event is the association obligated to the policyholder or claimant in an amount in excess of the obligation of the insurer under the policy from which the claim arises.

Sec. 37. Minnesota Statutes 1980, Section 79.071, Subdivision 1, is amended to read:

Subdivision 1. The commissioner shall adopt a schedule of workers' compensation insurance rates for use in this state for each classification under which business is written *until January 1, 1986*. The schedule of rates shall not be

excessive, inadequate, or unfairly discriminatory. In adopting a schedule of rates, the commissioner may act on the written petition of the association or any other interested party requesting that a hearing be held for modification of the schedule of rates. The commissioner may include the expense of a reasonable charge for the services of an agent of record, for the service of rejected risks as set forth in sections 79.24 to 79.27.

Sec. 38. Minnesota Statutes 1980, Section 175.007, is amended to read:

175.007 [ADVISORY COUNCIL ON WORKERS' COMPENSATION; CREATION.]

Subdivision 1. The commissioner of labor and industry shall appoint, after consultation with the judges of the workers' compensation court of appeals, an advisory council on workers' compensation, which shall consist of five representatives of employers and five representatives of employees and three members representing the general public. *The council may consult with the judges of the workers' compensation court of appeals shall be nonvoting members of the advisory council.* The council shall expire and the terms, compensation and removal of members shall be as provided in section 15.059.

Subd. 2. The advisory council shall study and present to the legislature and the governor, on or before November 15 of each even numbered year, its findings relative to the costs, methods of financing, and the formula to be used to provide supplementary compensation to workers who have been determined permanently and totally disabled prior to July 1, 1969, and its findings relative to alterations in the scheduled benefits for permanent partially disabled, and other aspects of the workers' compensation act. *The council shall also study and present to the legislature and the governor on or before November 15 of 1981 and by November 15 of each even numbered year thereafter a report on the financial, administrative and personnel needs of the workers' compensation division.*

Sec. 39. Minnesota Statutes 1980, Section 175.11, Subdivision 1, is amended to read:

Subdivision 1. The workers' compensation division and the workers' compensation court of appeals shall each have a seal for the authentication of its orders and proceedings, upon which shall be inscribed the words, "Workers' Compensation Division of Minnesota" or "Workers' Compensation Court of Appeals of Minnesota" respectively, as the division or workers' compensation court of appeals may prescribe. The courts of this state shall take judicial notice of such seal and of the signatures of the judges of the workers' compensation court of appeals; and in all cases copies of orders, proceedings, or records of the division or workers' compensation court of appeals, certified by a judge of the workers' compensation court of appeals under his seal the commissioner, shall be received in evidence, with the same force and effect given to the originals.

Sec. 40. Minnesota Statutes 1980, Section 175.14, is amended to read:

175.14 [TRAVELING EXPENSES.]

The workers' compensation judges of the court of appeals and the commissioner of labor and industry and the officers, assistants, and employees of the workers' compensation court of appeals and department shall be paid out of the

state treasury their actual and necessary expenses while traveling on the business of the ~~workers' compensation court of appeals or~~ department. Vouchers for such expenses shall be itemized and sworn to by the persons incurring the expense, and be subject to the approval of ~~the workers' compensation court of appeals or~~ the commissioner of labor and industry.

Sec. 41. Minnesota Statutes 1980, Section 175.17, is amended to read:

175.17 [POWERS AND DUTIES, WORKERS' COMPENSATION COURT OF APPEALS, AND COMMISSIONER OF THE DEPARTMENT OF LABOR AND INDUSTRY.]

(1) ~~The workers' compensation court of appeals shall principally exercise appellate jurisdiction under the laws relating to workers' compensation and the laws governing employees of the state, a county, or other governmental subdivision who contract tuberculosis;~~

(2) ~~The commissioner of the department of labor and industry shall administer the laws relating to workers' compensation and the laws governing employees of the state, a county, or other governmental subdivisions who contract tuberculosis;~~

(3) ~~(2) The workers' compensation court of appeals and the commissioner of the department of labor and industry shall jointly prescribe adopt reasonable and proper rules and regulations governing rules of practice before the workers' compensation division in nonappellate matters which are not before a compensation judge;~~

(4) ~~The workers' compensation court of appeals shall prescribe rules of practice before it in appellate matters;~~

(5) ~~(3) The commissioner of the department of labor and industry shall collect, collate, and publish statistical and other information relating to work under its the department's jurisdiction and make public reports in his judgment necessary, including such other reports as may be required by law;~~

(6) ~~(4) The commissioner of the department of labor and industry shall establish and maintain branch offices as needed for the conduct of the affairs of the workers' compensation division.~~

Sec. 42. [175A.01] [CREATION.]

Subdivision 1. [MEMBERSHIP, APPOINTMENT, QUALIFICATIONS.]
The workers' compensation court of appeals as previously constituted is re-constituted as an independent agency in the executive branch.

The workers' compensation court of appeals shall consist of five judges each serving in the unclassified service. The five judges shall be learned in the law. Each judge of the workers' compensation court of appeals shall be appointed by the governor, by and with the advice and consent of the senate, for a term of six years commencing at the expiration of the preceding term. Any vacancy shall be filled by the governor for the unexpired term, subject to confirmation by the senate. The terms of the judges shall expire on the first Monday in January of the year in which they expire. The terms of the judges shall be staggered. The judges of the workers' compensation court of appeals as now created shall be the judges of the workers' compensation court of appeals until the expiration of the terms for which they have been appointed and qualified.

They shall be selected on the basis of their experience with and knowledge of workers' compensation and the workers' compensation laws of Minnesota. The judges of the workers' compensation court of appeals shall be subject to the provisions of the Minnesota Constitution, Article VI, Section 6, the jurisdiction of the commission on judicial standards, as provided in sections 490.15 and 490.16, and the provisions of the code of judicial conduct.

Subd. 2. [JURISDICTION.] The workers' compensation court of appeals shall have statewide jurisdiction. Except for an appeal to the supreme court or any other appeal allowed under this subdivision, the workers' compensation court of appeals shall be the sole, exclusive, and final authority for the hearing and determination of all questions of law and fact arising under the workers' compensation laws of the state in those cases that have been appealed to the workers' compensation court of appeals and in any case that has been transferred by the district court to the workers' compensation court of appeals. The workers' compensation court of appeals shall have no jurisdiction in any case that does not arise under the workers' compensation laws of the state or in any criminal case, provided that the workers' compensation court of appeals shall exercise appellate jurisdiction under the laws governing employees of the state, a county, or other governmental subdivision who contract tuberculosis and under chapter 352E.

Subd. 3. [OATH.] Each judge of the workers' compensation court of appeals before entering upon the duties of his office, shall take the oath prescribed by law.

Sec. 43. [175A.02] [OFFICERS.]

The judges of the workers' compensation court of appeals shall choose a chief judge from among their number. The chief judge shall appoint one of the judges to serve as the administrator, who shall be custodian of the court's files and records and shall coordinate and make hearing assignments. The judge who is appointed the administrator may delegate the duties of administrator to an employee chosen to be the assistant administrator. The clerk of district court in each county shall be the clerk of the workers' compensation court of appeals in that county. Filing fees and library fees deposited with the clerk of district court in his capacity as clerk of the workers' compensation court of appeals and in cases originally commenced in district court and transferred to the workers' compensation court of appeals shall be retained by the clerk of district court. The workers' compensation court of appeals clerk in each county shall be subject to the supervision of the administrator in workers' compensation court of appeals matters.

Sec. 44. [175A.03] [POLITICAL NONPARTICIPATION.]

Every judge of the workers' compensation court of appeals and every officer or employee of the workers' compensation court of appeals who by solicitation or otherwise exerts his influence, directly or indirectly, to induce other officers or employees of the state to adopt his political views, or to favor any particular person or candidate for office, or to contribute funds for campaign or political purposes, shall be removed from his office or position by the authority appointing him.

Sec. 45. [175A.04] [OFFICE.]

The workers' compensation court of appeals shall maintain its main office

within the Minneapolis-St. Paul metropolitan area and be provided by the commissioner of administration with suitable rooms and necessary furniture. The offices of the workers' compensation court of appeals and the department of labor and industry shall be in separate buildings. The court may hold sessions at any other place in the state when their convenience and that of the parties interested so requires.

Sec. 46. [175A.05] [QUORUM.]

A majority of the judges of the workers' compensation court of appeals shall constitute a quorum for the exercise of the powers conferred and the duties imposed on the workers' compensation court of appeals and all appeals shall be heard by at least three of the five judges. A vacancy shall not impair the ability of the remaining judges of the workers' compensation court of appeals to exercise all the powers and perform all of the duties of the workers' compensation court of appeals.

Sec. 47. [175A.06] [SESSIONS TO BE PUBLIC.]

The hearings of the workers' compensation court of appeals shall be open to the public and may be adjourned from time to time. All the proceedings of the court shall be shown on its records, which shall be public records.

Sec. 48. [175A.07] [POWERS.]

Subdivision 1. [PROCESS; PROCEDURES.] The workers' compensation court of appeals shall keep such record of all its proceedings as it deems appropriate and shall issue necessary processes, writs, warrants, and notices which the workers' compensation court of appeals is required or authorized to issue. Notices and other documents required to be served or filed on the workers' compensation court of appeals shall be served on the administrator of the court or his delegate.

Subd. 2. [PERSONNEL.] The judges of the workers' compensation court of appeals shall appoint in the manner provided by law all personnel required by the workers' compensation court of appeals. The commissioner of administration shall provide the court with necessary additional staff and administrative services, and the court shall reimburse the commissioner for the cost of these services.

Subd. 3. [POWER TO REVIEW.] The workers' compensation court of appeals shall have the powers of review provided in chapter 176.

Subd. 4. [RULES.] The workers' compensation court of appeals shall prescribe rules of practice before it in appellate matters.

Sec. 49. [175A.08] [SEAL.]

The workers' compensation court of appeals shall have a seal for the authentication of its orders and proceedings, upon which shall be inscribed the words, "Workers' Compensation Court of Appeals of Minnesota" as the court of appeals may prescribe. The courts of this state shall take judicial notice of such seal and of the signatures of the judges of the workers' compensation court of appeals; and in all cases copies of orders, proceedings, or records of the workers' compensation court of appeals, certified by a judge of the workers' compensation court of appeals under its seal, shall be received in evidence, with the same force and effect given to the originals.

Sec. 50. [175A.09] [TRAVEL EXPENSES.]

The workers' compensation judges of the court of appeals and the officers, assistants, and employees of the workers' compensation court of appeals shall be paid out of the state treasury their actual and necessary expenses while traveling on the business of the workers' compensation court of appeals. Vouchers for such expenses shall be itemized and sworn to by the persons incurring the expense, and be subject to the approval of the workers' compensation court of appeals.

Sec. 51. [175A.10] [APPEALS AND REVIEWS.]

Unless an appeal is taken to the district court, the right of appeal provided in chapter 176 shall be the exclusive remedy for reviewing the actions of the commissioner, the workers' compensation division or a compensation judge in a matter arising under chapter 176. On any appeal taken by an employee or an employer or insurer to the workers' compensation court of appeals, or the supreme court, the decision of the workers' compensation court of appeals, or the decision of the supreme court on its review, as the case may be, shall be final and conclusive as to all parties to the proceedings as to all matters at issue determined by a decision. In all cases the decision of the workers' compensation court of appeals on appeal, or of the supreme court on review, as the case may be, shall stand in lieu of the order of the commissioner or the division or the compensation judge from whom the appeal was taken.

Sec. 52. [176.001] [INTENT OF THE LEGISLATURE.]

It is the intent of the legislature that chapter 176 be interpreted so as to assure the quick and efficient delivery of indemnity and medical benefits to injured workers at a reasonable cost to the employers who are subject to the provisions of chapter 176.

Sec. 53. Minnesota Statutes 1980, Section 176.011, Subdivision 6, is amended to read:

Subd. 6. (1) "Court of appeals" means the workers' compensation court of appeals of Minnesota.

(2) "Division" means the workers' compensation division of the department of labor and industry.

(3) "Department" means the department of labor and industry.

(4) "Commissioner", unless the context clearly indicates otherwise, means the commissioner of labor and industry.

Sec. 54. Minnesota Statutes 1980, Section 176.011, Subdivision 9, is amended to read:

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

(1) an alien;

(2) a minor;

(3) a sheriff, deputy sheriff, constable, marshal, policeman, firefighter, a county highway engineer, and a peace officer while engaged in the enforcement of peace or in and about the pursuit or capture of any person charged with

or suspected of crime and any person requested or commanded to aid an officer in arresting any person, or in retaking any person who has escaped from lawful custody, or in executing any legal process in which case, for purposes of calculating compensation payable under this chapter, the daily wage of the person requested or commanded to assist an officer or to execute a legal process shall be the prevailing wage for similar services where the services are performed by paid employees;

(4) a county assessor;

(5) an elected or appointed official of the state, or of any county, city, town, school district or governmental subdivision therein but an officer of a political subdivision elected or appointed for a regular term of office or to complete the unexpired portion of any such regular term, shall be included only after the governing body of the political subdivision has adopted an ordinance or resolution to that effect;

(6) an executive officer of a corporation except an officer of a family farm corporation as defined in section 500.24, subdivision 1, clause (c), nor shall it include an executive officer of a closely held corporation who is referred to in section 176.012;

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

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

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

(10) a voluntary uncompensated worker accepted by the commissioner of natural resources who is rendering services as a volunteer pursuant to section 84.089 shall be an employee. The daily wage of the worker for the purpose of calculating compensation payable under this chapter, shall be the usual going wage paid at the time of injury or death for similar services where the services are performed by paid employees;

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

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

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

(14) a voluntary uncompensated worker, other than a resident of the veterans home, who renders services at a Minnesota veterans home, and whose services have been accepted or contracted for by the commissioner of veterans affairs, as authorized by law, is an employee within the meaning of this subdivision. In the event of injury or death of the voluntary uncompensated worker, the daily wage of the worker, for the purpose of calculating compensation payable under this chapter, shall be the usual going wage paid at the time of the injury or death for similar services in institutions where the services are performed by paid employees;

(15) a worker who renders in-home attendant care services to a physically handicapped person, and who is paid directly by the commissioner of public welfare for these services, shall be an employee of the state within the meaning of this subdivision, but for no other purpose.

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

Sec. 55. Minnesota Statutes 1980, Section 176.021, Subdivision 1, is amended to read:

Subdivision 1. [LIABILITY FOR COMPENSATION.] Except as excluded by this chapter all employers and employees are subject to the provisions of this chapter.

Every ~~such~~ employer is liable for compensation according to the provisions of this chapter and is liable to pay compensation in every case of personal injury or death of his employee arising out of and in the course of employment without regard to the question of negligence, ~~unless~~. *The burden of proof of these facts is upon the employee.*

If the injury was intentionally self-inflicted or ~~when~~ the intoxication of the employee is the proximate cause of the injury, ~~then the employer is not liable for compensation.~~ The burden of proof of ~~such~~ these facts is upon the employer.

Sec. 56. Minnesota Statutes 1980, Section 176.021, is amended by adding a subdivision to read:

Subd. 1a. [BURDEN OF PROOF.] All disputed issues of fact arising under chapter 176 shall be determined by a preponderance of the evidence. Preponderance of the evidence means evidence produced in substantiation of a fact which, when weighed against the evidence opposing the fact, has more convincing force and greater probability of truth.

Questions of law arising under chapter 176 shall be determined in accordance with the rules of construction generally applied to all other civil matters.

Sec. 57. Minnesota Statutes 1980, Section 176.021, Subdivision 3, is amended to read:

Subd. 3. [COMPENSATION, COMMENCEMENT OF PAYMENT.] All employers shall commence payment of the compensation at the time and in the manner prescribed by this chapter without the necessity of any agreement or any order of the division. Except those of for medical, burial, and other non-periodic benefits, payments shall be made as nearly as may be possible at the intervals when the wage was payable; provided, however, that payments for permanent partial disability in cases in which return to work occurs prior to four weeks from the date of injury shall be made by lump sum payment; shall be governed by subdivision 3a and the provisions of section 176.165 shall not apply, without the necessity of any agreement, or order of the division, upon cessation of payments for temporary total disability and upon the employee's return to work. In cases in which return to work does not occur prior to four weeks after injury, payments for permanent partial disability shall be made according to the following schedule: 25 percent of the amount due after four weeks from the date of injury, 25 percent after eight weeks, 25 percent after 12 weeks and 25 percent after 16 weeks; provided that any and all payments remaining shall be paid upon the cessation of payments for temporary total disability and upon the employee's return to work. If doubt exists at that time as to the eventual permanent partial disability, payment, pursuant to subdivision 3a, shall be then made when due for the minimum permanent partial disability ascertainable in lump sum, and further lump sum payment shall be made upon any later ascertainment of greater permanent partial disability. At the time of the any tender of the lump sum payment, the employee and employer shall be furnished with a copy of the medical report upon which the payment is based, together with a statement by the insurer as to whether the tendered payment is for minimum permanent partial disability or final and eventual disability. Compensation for permanent partial disability is payable concurrently and in addition to compensation for temporary total disability and temporary partial disability as set forth in pursuant to section 176.101, subdivisions 1 and 2, and as provided in subdivision 3a. Compensation for permanent partial disability is payable concurrently and in addition to compensation for permanent total disability as defined in pursuant to section 176.101, subdivision 5; and such, as provided in subdivision 3a. Compensation for permanent partial disability shall not be deferred withheld pending completion of payment for temporary

total and temporary partial disability but shall not be withheld pending payment of compensation for ~~or~~ permanent total disability, and no credit shall be taken for payment of permanent partial disability against liability for temporary total or permanent total disability. Liability on the part of an employer or his insurer for disability of a temporary total, temporary partial, and permanent total nature shall be considered as a continuing product and part of the employee's inability to earn or reduction in earning capacity due to injury or occupational disease and shall be payable accordingly, subject to subdivision 3a. Permanent partial disability is payable for functional loss of use or impairment of function, permanent in nature, and payment therefore shall be separate, distinct, and in addition to payment for any other compensation, subject to subdivision 3a. The right to receive temporary total, temporary partial, permanent partial or permanent total disability payments shall vest in the injured employee or his dependents under this chapter or, if none, in his legal heirs at the time the disability can be ascertained and the right shall not be abrogated by the employee's death prior to the making of the payment.

Sec. 58. Minnesota Statutes 1980, Section 176.021, is amended by adding a subdivision to read:

Subd. 3a. [PERMANENT PARTIAL BENEFITS, PAYMENT.] Payments for permanent partial disability as provided in section 176.101, subdivision 3, shall be made in the following manner:

(a) If the employee returns to work, payment shall be made by lump sum;

(b) If temporary total payments have ceased, but the employee has not returned to work, payment shall be made at the same intervals as temporary total payments were made;

(c) If temporary total disability payments cease because the employee is receiving payments for permanent total disability or because the employee is retiring or has retired from the work force, then payment shall be made by lump sum;

(d) If the employee completes a rehabilitation plan pursuant to section 176.102, but the employer does not furnish the employee with work he can do in his permanently partially disabled condition, and the employee is unable to procure such work with another employer, then payment shall be made by lump sum.

Sec. 59. Minnesota Statutes 1980, Section 176.021, is amended by adding a subdivision to read:

Subd. 8. [AMOUNTS ADJUSTED.] Amounts of compensation payable by an employer or his insurer under this chapter may be rounded to the nearest dollar amount. An employer or insurer who elects to make such adjustments shall do so for all compensation payments under this chapter.

Sec. 60. Minnesota Statutes 1980, Section 176.041, is amended by adding a subdivision to read:

Subd. 6. [COMMISSIONER OF LABOR AND INDUSTRY; ADDITIONAL POWERS.] Whenever an employee is covered by subdivision 2, 3 or 4, the commissioner may enter into agreements with the appropriate agencies of other states for the purpose of resolving conflicts of jurisdiction or disputes concerning workers' compensation coverage. An agreement entered into pur-

suant to this subdivision may be appealed in the same manner and within the same time as if the appeal were from an order or decision of a compensation judge to the workers' compensation court of appeals or the district court.

Sec. 61. Minnesota Statutes 1980, Section 176.061, Subdivision 1, is amended to read:

Subdivision 1. [ELECTION OF REMEDIES.] Where an injury or death for which ~~compensation~~ *is benefits* are payable occurs under circumstances which create a legal liability for damages on the part of a party other than the employer and at the time of such injury or death that party was insured or self-insured in accordance with this chapter, the employee, in case of injury, or his dependents, in case of death, may proceed either at law against that party to recover damages or against the employer for ~~compensation~~ *benefits*, but not against both.

Sec. 62. Minnesota Statutes 1980, Section 176.061, Subdivision 3, is amended to read:

Subd. 3. [ELECTION TO RECEIVE ~~COMPENSATION~~ *BENEFITS* FROM EMPLOYER; SUBROGATION.] If the employee or his dependents elect to receive ~~compensation~~ *benefits* from the employer, *or the special compensation fund, such the employer, or the special compensation fund,* is subrogated to the right of the employee or his dependents to recover damages against the other party. The employer, *or the attorney general on behalf of the special compensation fund,* may bring legal proceedings against such party and recover the aggregate amount of ~~compensation~~ *benefits* payable *by him to or on behalf of the employee or his dependents,* together with the costs, disbursements, and reasonable attorney's fees of the action.

If an action as provided in this chapter prosecuted by the employee, the employer, or ~~both jointly the attorney general on behalf of the special compensation fund,~~ against the third person, results in judgment against the third person, or settlement by the third person, the employer shall have no liability to reimburse or hold the third person harmless on the judgment or settlement in absence of a written agreement to do so executed prior to the injury.

Sec. 63. Minnesota Statutes 1980, Section 176.061, Subdivision 4, is amended to read:

Subd. 4. [APPLICATION OF SUBDIVISIONS 1, 2, AND 3.] The provisions of subdivisions 1, 2, and 3 apply only where the employer liable for ~~compensation~~ *benefits* and the other party legally liable for damages are insured or self-insured and engaged, in the due course of business in, (a) in furtherance of a common enterprise, or (b) in the accomplishment of the same or related purposes in ~~operation~~ *operations* on the premises where the injury was received at the time thereof.

Sec. 64. Minnesota Statutes 1980, Section 176.061, Subdivision 5, is amended to read:

Subd. 5. [CUMULATIVE REMEDIES.] Where an injury or death for which ~~compensation~~ *is benefits* are payable is caused under circumstances which created a legal liability for damages on the part of a party other than the employer, that party being then insured or self-insured in accordance with this chapter, and the provisions of subdivisions 1, 2, 3, and 4 do not apply, or the

party other than the employer is not then insured or self-insured as provided by this chapter, legal proceedings may be taken by the employee or his dependents in accordance with clause (a), or by his employer, *or by the attorney general on behalf of the special compensation fund*, in accordance with clause (b), against the other party to recover damages, notwithstanding the payment by the employer, *or the special compensation fund* or ~~his~~ their liability to pay ~~compensation~~ benefits.

(a) If an action against the other party is brought by the injured employee or his dependents and a judgment is obtained and paid or settlement is made with the other party, the employer *or the special compensation fund* may deduct from the ~~compensation~~ benefits payable ~~by him~~ the amount actually received by the employee or dependents *or paid on their behalf* in accordance with subdivision 6. If the action is not diligently prosecuted or if the court deems it advisable in order to protect the interests of the employer, *or the special compensation fund*, upon application the court may grant the employer, *or the special compensation fund*, the right to intervene in any such action for the prosecution thereof. If the injured employee or his dependents ~~agree to receive compensation~~ *or any party on their behalf receives benefits* from the employer, *or the special compensation fund*, or institute proceedings to recover the same or accept from the employer, *or the special compensation fund*, any payment on account of the ~~compensation~~ benefits, the employer, *or the special compensation fund*, is subrogated to the rights of the employee or his dependents. This employer, *or the attorney general on behalf of the special compensation fund*, may maintain an action or continue an action already instituted. This action may be maintained in the name of the employee or the names of the dependents, or in the name of the employer *or in the name of the attorney general on behalf of the special compensation fund* against such other party for the recovery of damages. If the action is not diligently prosecuted by the employer, *or the attorney general on behalf of the special compensation fund*, or the court deems it advisable in order to protect the interest of the employee, the court, upon application, may grant to the employee or his dependents the right to intervene in the action for the prosecution thereof. The proceeds of such action or settlement thereof shall be paid in accordance with subdivision 6.

(b) If an employer, being then insured, sustains damages due to a change in workers' compensation insurance premiums, whether by a failure to achieve a decrease or by a retroactive or prospective increase, as a result of the injury or death of his employee which was caused under circumstances which created a legal liability for damages on the part of a party other than the employer, the employer, notwithstanding other remedies provided, may maintain an action against the other party for recovery of such premiums. This cause of action may be brought either by joining in an action described in clause (a) or by a separate action. Damages recovered under this clause shall be for the benefit of the employer and the provisions of subdivision 6 shall not be applicable to such damages.

(c) The third party is not liable to any person other than the employee or his dependents, or his employer, *or the special compensation fund*, for any damages resulting from the injury or death.

A co-employee working for the same employer is not liable for a personal injury incurred by another employee unless the injury resulted from the gross

negligence of the co-employee or was intentionally inflicted by the co-employee.

Sec. 65. Minnesota Statutes 1980, Section 176.061, Subdivision 6, is amended to read:

Subd. 6. [COSTS, ATTORNEY FEES, EXPENSES.] The proceeds of all actions for damages or settlement thereof under this section, except for damages received under subdivision 5, clause (b) received by the injured employee or his dependents or by the employer, *or the special compensation fund*, as provided by subdivision 5, shall be divided as follows:

(a) After deducting the reasonable cost of collection, including but not limited to attorneys fees and burial expense in excess of the statutory liability, then

(b) One-third of the remainder shall in any event be paid to the injured employee or his dependents, without being subject to any right of subrogation.

(c) Out of the balance remaining, the employer, *or the special compensation fund*, shall be reimbursed in an amount equal to all ~~compensation benefits~~ paid under this chapter to *or on behalf of* the employee or his dependents by the employer, *or special compensation fund*, less the product of the costs deducted under clause (a) divided by the total proceeds received by the employee or his dependents from the other party multiplied by all ~~compensation benefits~~ paid by the employer, *or the special compensation fund*, to the employee or his dependents.

(d) Any balance remaining shall be paid to the employee or his dependents, and shall be a credit to employer, *and the special compensation fund*, for any ~~compensation benefits~~ which employer is obligated to pay, but has not paid, and for any ~~compensation benefits~~ that such employer shall be obligated to make in the future.

There shall be no reimbursement or credit to *the employer, or the special compensation fund*, for interest or penalties.

Sec. 66. Minnesota Statutes 1980, Section 176.061, Subdivision 7, is amended to read:

Subd. 7. [MEDICAL TREATMENT.] The liability of an employer, *or the special compensation fund*, for medical treatment under this chapter shall not be affected by the fact that his employee was injured through the fault or negligence of a third party, against whom the employee may have a cause of action which may be sued under this chapter, but the employer, *or the attorney general on behalf of the special compensation fund*, shall have a separate additional cause of action against such third party to recover any amounts paid ~~by him~~ for medical treatment under this section resulting from the negligence of such third party. This separate cause of action of the employer, *or the attorney general on behalf of the special compensation fund*, may be asserted in a separate action brought by the employer, *or the attorney general on behalf of the special compensation fund*, against such third party or in the action commenced by the employee or the employer, *or the attorney general on behalf of the special compensation fund*, under this chapter, but in the latter case the cause of action shall be separately stated, the amount awarded thereon shall be separately set out in the verdict, and the amount recovered by suit or

otherwise as reimbursement for medical expenses shall be for the benefit of the employer, *or the special compensation fund*, to the extent that the employer, *or the special compensation fund*, has paid or will be required to pay for medical treatment of the injured employee and shall not affect the amount of periodic compensation to be paid.

Sec. 67. Minnesota Statutes 1980, Section 176.081, Subdivision 1, is amended to read:

Subdivision 1. No claim for legal services or disbursements pertaining to any demand made or suit or proceeding brought under the provisions of this chapter is an enforceable lien against the compensation or is valid or binding in any other respect unless approved in writing by the *division, commissioner of the department of labor and industry*, a compensation judge, a *judge of the district court*, or the workers' compensation court of appeals, if the claim arises out of a proceeding for compensation under this chapter, or by the judge presiding at the trial in an action for damages, or by a judge of the district court in a settlement of a claim for damages without trial. *The division, a compensation judge, a judge of the district court or the workers' compensation court of appeals* shall in matters before ~~him~~ *them*, including settlement proceedings, have authority to approve a fee of up to 25 percent of the first \$4,000 of compensation awarded to the employee and up to 20 percent of the next \$20,000 \$27,500 of compensation awarded to employee. ~~The workers' compensation court of appeals judge shall have authority only to approve fees in settlements upon appeal before them up to 25 percent of the first \$4,000 of compensation awarded to the employee and up to 20 percent of the next \$20,000 of compensation awarded to the employee.~~ If the employer or his insurer or the defendant is given written notice of such claims for legal services or disbursements, the same shall be a lien against the amount paid or payable as compensation, subject to determination of the amount and approval provided by this chapter. *Provided, however, that in no case shall fees be calculated on the basis of any undisputed portion of compensation awards. Allowable fees under this chapter shall be based solely upon genuinely disputed portions of claims.*

Sec. 68. Minnesota Statutes 1980, Section 176.081, Subdivision 2, is amended to read:

Subd. 2. Any application for attorney fees in excess of the amount ~~which a compensation judge or the workers' compensation court of appeals may authorize~~ *authorized in subdivision 1* shall be made to the ~~commissioner of labor and industry workers' compensation court of appeals~~. The application shall set forth the fee requested and the basis for such request and whether or not a hearing is requested. The application, with affidavit of service upon the employee, shall be filed by the attorney requesting the fee. If a hearing is requested by an interested party, a hearing shall be set with notice of such hearing served upon known interested parties. In all cases the employee shall be served with notice of hearing.

Sec. 69. Minnesota Statutes 1980, Section 176.081, Subdivision 3, is amended to read:

Subd. 3. An employee who is dissatisfied with his attorney fees, may file an application for review by the ~~commissioner of labor and industry workers' compensation court of appeals~~. Such application shall state the basis for the

need of review and whether or not a hearing is requested. A copy of such application shall be served upon the attorney for the employee by the ~~commissioner court administrator~~ and if a hearing is requested by either party, the matter shall be set for hearing. The notice of hearing shall be served upon known interested parties. The attorney for the employee shall be served with a notice of the hearing. The ~~commissioner of labor and industry workers' compensation court of appeals~~ shall have the authority to raise the question of the issue of the attorney fees at any time upon ~~his~~ *its* own motion and shall have continuing jurisdiction over attorney fees.

Sec. 70. Minnesota Statutes 1980, Section 176.081, Subdivision 4, is amended to read:

Subd. 4. The review of a determination by the ~~commissioner of labor and industry or the workers' compensation court of appeals~~ shall be only by supreme court by certiorari upon the ground that it is arbitrary and unwarranted by the evidence. There shall be no review under sections 176.421 and 176.442.

Sec. 71. Minnesota Statutes 1980, Section 176.081, Subdivision 6, is amended to read:

Subd. 6. The ~~commissioner of labor and industry workers' compensation court of appeals~~ may ~~prescribe~~ *adopt* reasonable and proper rules ~~and regulations~~ to effect ~~his and the division's~~ *its* obligations under this section ~~without regard to the joint prescription required under section 175.17, subdivision 3.~~

Sec. 72. Minnesota Statutes 1980, Section 176.081, is amended by adding a subdivision to read:

Subd. 7a. At any time prior to one day before a matter is to be heard, a party litigating a claim made pursuant to this chapter may serve upon the adverse party a reasonable offer of settlement of the claim, with provision for costs and disbursements then accrued. If before the hearing the adverse party serves written notice that the offer is accepted, either party may then file the offer and notice of acceptance, together with the proof of service thereof, and thereupon judgment shall be entered.

If an offer by an employer or insurer is not accepted by the employee, it shall be deemed withdrawn and evidence thereof is not admissible, except in a proceeding to determine attorney's fees. Notwithstanding the provisions of subdivision 7, if the judgment finally obtained by the employee is less favorable than the offer, the employer shall not be liable for any part of the attorney's fees awarded pursuant to this section.

If an offer by an employee is not accepted by the employer or insurer, it shall be deemed withdrawn and evidence thereof is not admissible, except in a proceeding to determine attorney's fees. Notwithstanding the provisions of subdivision 7, if the judgment finally obtained by the employee is at least as favorable as the offer, the employer shall pay an additional 25 percent, over the amount provided in subdivision 7, of that portion of the attorney's fee which has been awarded pursuant to this section that is in excess of \$250.

The fact that an offer is made but not accepted does not preclude a subsequent offer.

Sec. 73. Minnesota Statutes 1980, Section 176.081, is amended by adding a subdivision to read:

Subd. 9. An attorney who is hired by an employee to provide legal services with respect to a claim for compensation made pursuant to this chapter shall prepare a retainer agreement in which the provisions of this section are specifically set out and provide a copy of this agreement to the employee. The retainer agreement shall provide a space for the signature of the employee. A signed agreement shall raise a conclusive presumption that the employee has read and understands the statutory fee provisions. No fee shall be awarded pursuant to this section in the absence of a signed retainer agreement.

Sec. 74. Minnesota Statutes 1980, Section 176.081, is amended by adding a subdivision to read:

Subd. 10. An attorney who knowingly violates any of the provisions of this chapter with respect to authorized fees for legal services in connection with any demand made or suit or proceeding brought under the provisions of this chapter is guilty of a gross misdemeanor.

Sec. 75. Minnesota Statutes 1980, Section 176.101, Subdivision 3, is amended to read:

Subd. 3. [PERMANENT PARTIAL DISABILITY.] For permanent partial disability compensation shall be that named in the following schedule, subject to a maximum compensation equal to the statewide weekly wage:

(1) For the loss of a thumb, 66 2/3 percent of the daily wage at the time of injury during 65 weeks;

(2) For the loss of a first finger, commonly called index finger, 66 2/3 percent of the daily wage at the time of injury during 40 weeks;

(3) For the loss of a second finger, 66 2/3 percent of the daily wage at the time of injury during 35 weeks;

(4) For the loss of a third finger, 66 2/3 percent of the daily wage at the time of injury during 25 weeks;

(5) For the loss of a fourth finger, commonly called the little finger, 66 2/3 percent of the daily wage at the time of injury during 20 weeks;

(6) The loss of the first phalange of the thumb or of any finger, is considered equal to the loss of one-half of the thumb or finger and compensation shall be paid at the prescribed rate during one-half the time specified for the loss of the thumb or finger;

(7) The loss of one and one-half or more phalanges is considered equal to the loss of the entire finger or thumb; but in no case shall the amount received for more than one finger exceed the amount provided in this schedule for the loss of a hand;

(8) For the loss of a great toe, 66 2/3 percent of the daily wage at the time of injury during 35 weeks;

(9) For the loss of a toe other than a great toe, 66 2/3 percent of the daily wage at the time of injury during 15 weeks;

(10) The loss of the first phalange of any toe is considered equal to the loss of one-half of the toe, and compensation shall be paid at the prescribed rate during one-half the time specified for the loss of the toe;

(11) The loss of one and one-half or more phalanges is considered equal to

the loss of the entire toe;

(12) For the loss of a hand, not including the wrist movement, $66 \frac{2}{3}$ percent of the daily wage at the time of injury during 195 weeks;

(13) For the loss of a hand, including wrist movement, $66 \frac{2}{3}$ percent of the daily wage at the time of injury during 220 weeks;

(14) For the loss of an arm, $66 \frac{2}{3}$ percent of the daily wage at the time of injury during 270 weeks;

(15) Amputation of the arm below the elbow is considered the loss of a hand, including wrist movement, if enough of the forearm remains to permit the use of an effective artificial member, otherwise it is considered the loss of an arm;

(16) For the loss of a foot, not including ankle movement, $66 \frac{2}{3}$ percent of the daily wage at the time of injury during 140 weeks;

(17) For the loss of a foot, including ankle movement, $66 \frac{2}{3}$ percent of the daily wage at the time of injury during 165 weeks;

(18) For the loss of a leg, if enough of the leg remains to permit the use of an effective artificial member, $66 \frac{2}{3}$ percent of the daily wage at the time of injury during 195 weeks;

(19) For the loss of a leg so close to the hip that no effective artificial member can be used, $66 \frac{2}{3}$ percent of the daily wage at the time of injury during 220 weeks;

(20) Amputation of a leg below the knee is considered as equal to the loss of a foot, including ankle movement, if enough of the lower leg remains to permit the use of an effective artificial member, otherwise it is considered as equal to the loss of a leg;

(21) For the loss of an eye, $66 \frac{2}{3}$ percent of the daily wage at the time of injury during 160 weeks;

(22) For the complete permanent loss of hearing in one ear, $66 \frac{2}{3}$ percent of the daily wage at the time of injury during 85 weeks;

(23) For the complete permanent loss of hearing in both ears, $66 \frac{2}{3}$ percent of the daily wage at the time of injury during 170 weeks;

(24) For the loss of an eye and a leg, $66 \frac{2}{3}$ percent of the daily wage at the time of injury during 475 weeks;

(25) For the loss of an eye and an arm, $66 \frac{2}{3}$ percent of the daily wage at the time of injury during 475 weeks;

(26) For the loss of an eye and a hand, $66 \frac{2}{3}$ percent of the daily wage at the time of injury during 450 weeks;

(27) For the loss of an eye and a foot, $66 \frac{2}{3}$ percent of the daily wage at the time of injury during 400 weeks;

(28) For the loss of two arms, other than at the shoulder, $66 \frac{2}{3}$ percent of the daily wage at the time of injury during 500 weeks;

(29) For the loss of two hands, $66 \frac{2}{3}$ percent of the daily wage at the time of injury during 500 weeks;

(30) For the loss of two legs, other than so close to the hips that no effective

artificial member can be used, $66 \frac{2}{3}$ percent of the daily wage at the time of injury during 500 weeks;

(31) For the loss of two feet, $66 \frac{2}{3}$ percent of the daily wage at the time of injury during 500 weeks;

(32) For the loss of one arm an the other hand, $66 \frac{2}{3}$ percent of the daily wage at the time of injury during 500 weeks;

(33) For the loss of one hand and one foot, $66 \frac{2}{3}$ percent of the daily wage at the time of injury during 500 weeks;

(34) For the loss of one leg and the other foot, $66 \frac{2}{3}$ percent of the daily wage at the time of injury during 500 weeks;

(35) For the loss of one leg and one hand, $66 \frac{2}{3}$ percent of the daily wage at the time of injury during 500 weeks;

(36) For the loss of one arm and one foot, $66 \frac{2}{3}$ percent of the daily wage at the time of injury during 500 weeks;

(37) For the loss of one arm and one leg, $66 \frac{2}{3}$ percent of the daily wage at the time of injury during 500 weeks;

(38) For loss of the voice mechanism, $66 \frac{2}{3}$ percent of the daily wage at the time of injury during 500 weeks;

(39) For head injuries, $66 \frac{2}{3}$ percent of the daily wage at the time of injury for that proportion of 500 weeks which is represented by its percentage of the permanent partial disability to the entire body as is determined from competent testimony at a hearing before a compensation judge, ~~the commissioner~~, or as determined by the workers' compensation court of appeals in cases on appeal;

(40) For permanent partial disability resulting from injury to any internal organ until such time as the commissioner of labor and industry shall promulgate a schedule of internal organs and thereafter for internal organs covered by the schedule of internal organs established by the commissioner of labor and industry, $66 \frac{2}{3}$ percent of the daily wage at time of injury for that proportion of 500 weeks, not to exceed 500 weeks, as determined by the commissioner of labor and industry, which is the proportionate amount of permanent partial disability caused to the entire body by the injury as is determined from competent testimony at a hearing before a compensation judge, ~~the commissioner~~, or the workers' compensation court of appeals;

(41) For disfigurement or scarring not resulting from the loss of a member or other injury specifically compensated, affecting the employability or advancement opportunity of the injured person in the employment in which he was injured or other employment for which the employee is then qualified or for which the employee has become qualified, $66 \frac{2}{3}$ percent of the daily wage at the time of injury during the period the parties agree to or the compensation judge or the workers' compensation court of appeals in cases on appeal determines, not exceeding 90 weeks;

(42) For permanent partial disability resulting from injury to the back, $66 \frac{2}{3}$ percent of the daily wage at the time of injury for that proportion of 350 weeks which is represented by the percentage of the permanent partial disability as is determined from competent testimony at a hearing before a compensation judge, the commissioner, or the workers' compensation court of appeals;

(43) When an employee sustains concurrent injuries resulting in concurrent disabilities he shall receive compensation only for the injury which entitled him to the largest amount of compensation, but this does not affect liability for disfigurement affecting the employability of the injured person or liability for the concurrent loss of more than one member, for which members compensations are provided in the specific schedule and in subdivision 5;

(44) In all cases of permanent partial disability it is considered that the permanent loss of the use of a member is equivalent to and draws the same compensation as the loss of that member, but the compensation in and by this schedule provided shall be in lieu of all other compensation in these cases, except as otherwise provided by this section;

In the event a worker has been awarded or is entitled to receive compensation for loss of use of a member under any workers' compensation law, and thereafter sustains loss of the member under circumstances entitling him to compensation therefor under this subdivision, the amount of compensation awarded, or that he is entitled to receive, for the loss of use, is to be deducted from the compensation due under the schedules of this section for the loss of the member, provided, that the amount of compensation due for the loss of the member caused by the subsequent accident is in no case less than 25 percent of the compensation payable under the schedule of this section for the loss of the member;

(45) In cases of permanent partial disability due to injury to a member, resulting in less than total loss of the member, not otherwise compensated in this schedule, compensation shall be paid at the prescribed rate during that part of the time specified in the schedule for the total loss of the member which the extent of the injury to the member bears to its total loss;

(46) In cases of permanent partial disability caused by simultaneous injury to two or more members, the applicable schedules in this subdivision shall be increased by 15 percent. This clause shall not apply when the injuries are compensated under paragraphs 22 to 37 inclusive, of this subdivision. In cases of partial disability due to injury to both eyes resulting in less than total loss of vision in one or both eyes compensation shall be paid at the prescribed rate during that part of 450 weeks which the extent of the combined injury to both eyes bears to the complete loss of industrial vision;

(47) The commissioner of labor and industry with the workers' compensation court of appeals may make or revise rules for the determination of the extent of the impairment of the industrial use of one or both eyes taking into account all primary coordinate factors of vision. These rules shall be made or revised after consultation with experts on industrial vision and after public notice to and hearing of interested parties;

(48) For permanent partial disability resulting from injury to the body as a whole due to burns, 66 2/3 percent of the daily wage at the time of injury, for that proportion of 350 weeks which is represented by the percentage of the permanent partial disability as is determined from competent testimony at a hearing before a compensation judge, the commissioner, or as determined by the workers' compensation court of appeals in cases on appeal, the compensation to be paid in addition to the compensation as employee would otherwise be entitled to for loss of use of a member in accordance with this section;

(49) In all cases of permanent partial disability not enumerated in this

schedule the compensation shall be 66 2/3 percent of the difference between the daily wage of the worker at the time of the injury and the daily wage he is able to earn in his partially disabled condition, subject to a maximum equal to the statewide average weekly wage, and continue during disability, not to exceed 350 weeks; and if the employer does not furnish the worker with work which he can do in his permanently partially disabled condition and he is unable to secure such work with another employer after a reasonably diligent effort, the employee shall be paid at his or her maximum rate of compensation for total disability.

Sec. 76. Minnesota Statutes 1980, Section 176.102, is amended by adding a subdivision to read:

Subd. 1a. [SURVIVING SPOUSE.] Upon the request of a qualified dependent surviving spouse, rehabilitation services shall be provided through the rehabilitation services section of the workers' compensation division. For the purposes of this subdivision a qualified dependent surviving spouse is a dependent surviving spouse, as determined under section 176.111, who is in need of rehabilitation assistance to become self-supporting. A spouse who is provided rehabilitation services under this subdivision is not entitled to compensation under subdivision 11.

Sec. 77. Minnesota Statutes 1980, Section 176.105, Subdivision 1, is amended to read:

Subdivision 1. The commissioner of labor and industry ~~may~~ shall by rule establish a schedule of degrees of disability resulting from different kinds of injuries.

Sec. 78. Minnesota Statutes 1980, Section 176.111, Subdivision 6, is amended to read:

Subd. 6. [SPOUSE, NO DEPENDENT CHILD.] (a) If the deceased employee leaves a dependent surviving spouse and no dependent child, there shall be paid to the dependent surviving spouse 50 percent of the daily wage at the time of the injury of the deceased, at the option of the spouse, either:

(1) A lump sum settlement equal to ten full years of compensation at 50 percent of the daily wage at the time of the injury of the deceased, computed without regard to section 176.645; or

(2) Weekly workers' compensation benefits at 50 percent of the daily wage at the time of the injury for a period of ten years, including adjustments as provided in section 176.645.

(b) A dependent surviving spouse who has not accepted a lump sum settlement pursuant to clause (a) (1) and who remarries shall receive the lesser of either:

(1) A lump sum settlement equal to two full years of compensation at 50 percent of the daily wage at the time of the injury of the deceased, computed without regard to section 176.645; or

(2) The remaining weekly workers' compensation benefits pursuant to clause (a) (2) at 50 percent of the daily wage, including adjustments as provided in section 176.645.

Sec. 79. Minnesota Statutes 1980, Section 176.111, Subdivision 7, is

amended to read:

Subd. 7. [SPOUSE, ONE DEPENDENT CHILD.] (a) If the deceased employee ~~leave~~ leaves a surviving spouse and one dependent child, there shall be paid to the surviving spouse for the benefit of ~~such~~ the spouse and child 60 percent of the daily wage at the time of the injury of the deceased until the child is no longer a dependent as defined in subdivision 1. At that time there shall be paid to the dependent surviving spouse, at the option of the spouse, either:

(1) A lump sum settlement equal to ten full years of compensation at a rate which is 16 2/3 percent less than the last weekly workers' compensation benefit payment, as defined in subdivision 8a, while the surviving child was a dependent, computed without regard to section 176.645; or

(2) Weekly benefits at a rate which is 16 2/3 percent less than the last weekly workers' compensation benefit payment, as defined in subdivision 8a, while the surviving child was a dependent, for a period of ten years, including adjustments as provided in section 176.645.

(b) A surviving spouse who remarries shall receive:

(1) Compensation, for the benefit of the dependent child, according to the allocation provided in subdivision 10, until the child is no longer a dependent as defined in subdivision 1; and

(2) A lump sum settlement, for the benefit of the surviving spouse, equal to two full years of weekly benefits in an amount which equals the difference between the benefit otherwise payable under clause (a) and the amount payable to the dependent child pursuant to clause (b) (1).

Sec. 80. Minnesota Statutes 1980, Section 176.111, Subdivision 8, is amended to read:

Subd. 8. [SPOUSE, TWO DEPENDENT CHILDREN.] (a) If the deceased employee ~~leave~~ leaves a surviving spouse and two dependent children, there shall be paid to the surviving spouse for the benefit of ~~such~~ the spouse and ~~such~~ children 66 2/3 percent of the daily wage at the time of the injury of the deceased until the youngest dependent child is no longer dependent. At that time the dependent surviving spouse shall be paid, at the option of the spouse, either:

(1) A lump sum settlement equal to ten full years of compensation at a rate which is 25 percent less than the last weekly workers' compensation benefit payment, as defined in subdivision 8a, while the last surviving child was a dependent, computed without regard to section 176.645; or

(2) Weekly benefits at a rate which is 25 percent less than the last weekly workers' compensation benefit payment, as defined in subdivision 8a, while the surviving child was a dependent, for a period of ten years, adjusted according to section 176.645.

(b) A surviving spouse who remarries shall receive compensation, for the benefit of the children, allocated according to subdivision 10, until the youngest dependent child is no longer dependent as defined in subdivision 1 and, for the benefit of the surviving spouse, a lump sum settlement equal to two full years of weekly benefits in an amount which equals the difference between the benefit otherwise payable pursuant to clause (a) and the amount payable to the

dependent children allocated according to subdivision 10, computed without regard to section 176.645.

Sec. 81. Minnesota Statutes 1980, Section 176.111, is amended by adding a subdivision to read:

Subd. 8a. [LAST WEEKLY BENEFIT PAYMENT.] For the purposes of subdivisions 7 and 8, "last weekly workers' compensation benefit payment" means the workers' compensation benefit which would have been payable without the application of subdivision 21.

Sec. 82. Minnesota Statutes 1980, Section 176.111, Subdivision 10, is amended to read:

Subd. 10. [ALLOCATION OF COMPENSATION.] In all cases where compensation is payable to the surviving spouse for the benefit of the surviving spouse and dependent children, the commissioner of the department of labor and industry, compensation judge, or workers' compensation court of appeals or district court in cases upon appeal may shall determine what portion of the compensation shall be applied applies for the benefit of any such child dependent children and may order the same that portion paid to a guardian. This subdivision shall not be construed to increase the combined total of weekly government survivor benefits and workers' compensation beyond the limitation established in section 176.111, subdivision 21.

Sec. 83. Minnesota Statutes 1980, Section 176.111, Subdivision 21, is amended to read:

Subd. 21. [DEATH, BENEFITS; COORDINATION WITH GOVERNMENTAL SURVIVOR BENEFITS.] The following provision shall apply to any dependent entitled to receive weekly compensation benefits under this section as the result of the death of an employee, and who is also receiving or entitled to receive benefits under any government survivor program:

The combined total of weekly government survivor benefits and workers' compensation death benefits provided under this section shall not exceed 100 percent of the weekly wage being earned by the deceased employee at the time of the injury causing his death; provided, however, that no state workers' compensation death benefit shall be paid for any week in which the survivor benefits paid under the federal program, by themselves, exceed 100 percent of such weekly wage provided, however, the workers' compensation benefits payable to a dependent surviving spouse shall not be reduced on account of any governmental survivor benefits payable to decedent's children if the support of the children is not the responsibility of the dependent surviving spouse.

For the purposes of this subdivision "dependent" means dependent surviving spouse together with all dependent children and any other dependents. For the purposes of this subdivision, mother's insurance benefits received pursuant to 42 U.S.C., 402 (g), are benefits under a government survivor program.

Sec. 84. Minnesota Statutes 1980, Section 176.131, Subdivision 10, is amended to read:

Subd. 10. The special compensation fund is created for the purposes provided in this chapter in the following manner:

(1) In every case of death of an employee resulting from personal injury

arising out of and in the course of employment where there are no persons entitled to monetary benefits of dependency compensation, the employer shall pay to the commissioner of labor and industry the sum of \$5,000 for the benefit of the special compensation fund; in every case of death of an employee resulting from personal injury arising out of and in the course of employment where there are no persons entitled to at least \$5,000 in monetary benefits of dependency compensation, the employer shall pay to the commissioner of labor and industry for the benefit of the special compensation fund the difference between the amounts actually paid for the dependency benefits and \$5,000; but in no event shall the employer pay the commissioner of labor and industry less than \$1,000;

(2) When an employee suffers a personal injury which results in permanent partial disability, temporary total disability, temporary partial disability, permanent total disability or death and which entitles him or his dependents to compensation under sections 176.101 or 176.111, the employer shall, in addition to compensation provided therein, pay to the commissioner of labor and industry for the benefit of the special compensation fund a lump sum without interest deduction equal to seven a percent of the total compensation determined as provided in this subdivision as soon as the amount payable for the particular injury is determined, or arrived at by agreement of the parties, and the amount is approved by the commissioner of labor and industry.

The provisions of clauses (1) and (2) shall apply to all workers' compensation payments, exclusive of medical costs, paid under sections 176.101 and 176.111 for all injuries or death occurring on or after June 1, 1971.

Personal injuries that occurred prior to June 1, 1971 shall be assessed at the rate in effect on the date of occurrence.

The seven percent of the total compensation required to be paid by the employer to the commissioner of labor and industry for the benefit of the special compensation fund as provided in clause (2) of this subdivision shall remain fixed at said seven percent for the period from June 1, 1971, to June 1, 1972. Effective June 1, 1972, through June 1, 1975, and thereafter on January 1, beginning in 1976, the rate shall be adjusted on the following basis: if the balance in the special compensation fund as of April 30 in any year through 1975 and as of September 30, 1975, and each September 30 thereafter, is below \$1,000,000, the rate of payment shall be increased by two percent over the then prevailing rate. If the balance is at least \$1,000,000 but below \$1,500,000, the rate will be increased by one percent. If the balance is at least \$1,500,000 but below \$2,000,000, there shall be no change. If the balance is at least \$2,000,000 but less than \$2,500,000, the rate shall be decreased by one percent. If the balance is at least \$2,500,000, the rate shall be decreased by two percent. If the balance is \$3,000,000 or more the commissioner of labor and industry shall within 30 days determine the percent of decrease, which shall be not less than two percent nor more than five percent.

In determining the percentage of the total compensation required to be paid by the employer to the commissioner for the benefit of the special compensation fund as provided in clause (2) beginning September 30, 1981 and each September 30 thereafter, the commissioner shall use the following schedule:

Balance in the Fund

*Permissible Range of
Rate Adjustment*

Less than \$2,000,000	+1 percent to +7 percent
At least \$2,000,000 but less than \$3,000,000	0 percent to +6 percent
At least \$3,000,000 but less than \$4,000,000	-2 percent to +4 percent
At least \$4,000,000 but less than \$5,000,000	-5 percent to +3 percent
At least \$5,000,000 but less than \$6,000,000	-6 percent to +2 percent
\$6,000,000 or more	-7 percent to +2 percent

In determining the actual adjustment, the commissioner shall take into account his estimate of the likely amount of expenditures to be made from the fund in the next calendar year.

Sums paid to the commissioner of labor and industry pursuant to the provisions hereof, shall be deposited with the state treasurer for the benefit of the special compensation fund and be used to pay the benefits provided by this chapter. All money heretofore arising from the provisions of this section or similar law shall be transferred to this special compensation fund. Any interest or profit accruing from investment of these sums shall be credited to the special compensation fund.

The state treasurer shall be the custodian of this special fund and the workers' compensation division ~~and, compensation judges~~, the workers' compensation court of appeals ~~or district court~~ in cases before ~~it~~ *them* shall direct the distribution thereof, the same to be paid as other payments of compensation are paid. In case deposit is or has been made under the provisions of clause (1) and dependency later is shown, or if deposit is or has been made pursuant to either clause (1) or (2) by mistake or inadvertence, or under circumstances that justice requires a refund thereof, the state treasurer is authorized to refund the deposit under order of the workers' compensation division ~~or, a compensation judge~~, the workers' compensation court of appeals ~~or a district court~~. There is appropriated to the persons entitled to the refunds from the fund an amount sufficient to make the refund and payment.

Costs within the department of labor and industry for the accounting, investigation and legal procedures necessary for the administration of the programs financed by the special compensation fund shall ~~be paid from the moneys biennially appropriated to the department and not from the special compensation fund~~ *come from the fund during each biennium commencing July 1, 1981. Staffing and expenditures related to the administration of the fund shall be approved through the regular budget and appropriations process.*

Sec. 85. Minnesota Statutes 1980, Section 176.132, Subdivision 2, is amended to read:

Subd. 2. [AMOUNT.] (a) The supplementary benefit payable under this section shall be the difference between the amount the employee receives on or after January 1, 1976, under section 176.101, subdivision 1 or subdivision 4, and 65 percent of the statewide average weekly wage as computed annually.

(b) In the event an eligible recipient is currently receiving no compensation

or is receiving a reduced level of compensation because of a credit being applied as the result of a third party liability or damages, the employer or insurer shall compute the offset credit as if the individual were entitled to the actual benefit or 65 percent of the statewide average weekly wage as computed annually, whichever is greater. If this results in the use of a higher credit than otherwise would have been applied and the employer or insurer becomes liable for compensation benefits which would otherwise not have been paid, the additional benefits resulting shall be handled according to this section.

(c) In the event an eligible recipient is receiving no compensation or is receiving a reduced level of compensation because of a valid agreement in settlement of a claim, no supplementary benefit shall be payable under this section. *Attorney's fees shall be allowed in settlements of claims for supplementary benefits in accordance with this chapter.*

(d) In the event an eligible recipient is receiving no compensation or is receiving a reduced level of compensation because of prior limitations in the maximum amount payable for permanent total disability or because of reductions resulting from the simultaneous receipt of old age or disability benefits, the supplementary benefit shall be payable for the difference between the actual amount of compensation currently being paid and 65 percent of the statewide average weekly wage as computed annually.

(e) In the event that an eligible recipient is receiving simultaneous benefits from any government disability program, the amount of supplementary benefits payable under this section shall be reduced by five percent. If the individual does not receive the maximum benefits for which he is eligible under other governmental disability programs due to the provisions of 42 U.S.C. 424a (d), this reduction shall not apply.

Sec. 86. Minnesota Statutes 1980, Section 176.133, is amended to read:

176.133 [ATTORNEYS FEES, SUPPLEMENTARY BENEFITS.]

~~No Attorneys~~ *Attorney's fees shall* ~~may be permitted or approved by a compensation judge or by the workers' compensation court of appeals from the supplementary workers' compensation benefits provided by section 176.132, or amendments thereto, unless if the case solely involves the obtaining of supplementary workers' compensation benefits. When such fees are allowed an amount equal to 25 percent of that portion of the fee which is in excess of \$250 shall be added to the employee's benefit as provided in section 176.081 rather than deducted as a portion thereof. The fees shall be subject determined according to the limitations contained in section 176.081.~~

Sec. 87. Minnesota Statutes 1980, Section 176.136, is amended to read:

176.136 [MEDICAL FEE REVIEW.]

The commissioner of ~~labor and industry~~ *insurance* shall by rule establish procedures for determining whether ~~or not~~ the charge for a health service is excessive. In order to accomplish this purpose, the commissioner ~~of insurance~~ shall consult with insurers, associations and organizations representing the medical and other providers of treatment services and other appropriate groups. *The procedures established by the commissioner of insurance shall limit the charges allowable for medical, chiropractic, podiatric, surgical, hospital and other health care provider treatment or services, as defined and*

compensable under section 176.135, to the 75th percentile of usual and customary fees or charges based upon billings for each class of health care provider during all of the calendar year preceding the year in which the determination is made of the amount to be paid the health care provider for the billing. The procedures established by the commissioner for determining whether or not the charge for a health service is excessive shall be structured to encourage providers to develop and deliver services for rehabilitation of injured workers. The procedures shall incorporate the provisions of sections 144.701, 144.702, and 144.703 to the extent that the commissioner finds that these provisions effectively accomplish the intent of this section or are otherwise necessary to insure that quality hospital care is available to injured employees. If the commissioner of insurance, a compensation judge, the workers' compensation court of appeals or a district court determines that the charge for a health service or medical service is excessive, ~~he may limit no payment to in excess of the reasonable charge for that service shall be made under this chapter nor may the provider collect or attempt to collect from the injured employee or any other insurer or government amounts in excess of the amount payable under this chapter; however, the commissioner of insurance shall by rule establish procedures allowing for a provider to appeal such determination. The commissioner may of insurance shall contract with a review organization as defined in section 145.61 in making any determinations as to whether or not a charge is excessive for the purposes listed in section 145.61, subdivision 5, and report to the legislature by January 15, 1983 and thereafter on January 15 of every odd-numbered year, regarding the delivery of medical and health care services, including rehabilitation services, under the workers' compensation laws of this state.~~

The commissioner of insurance shall also conduct a study of the qualifications and background of rehabilitation consultants and vendors providing services under section 176.102 for the purpose of determining whether there are adequate professional standards provided, including safeguards to protect against conflicts of interest.

The commissioner of insurance shall adopt temporary rules in order to implement the provisions of this subdivision. Notwithstanding the provisions of section 15.0412, subdivision 4, and any amendments, the temporary rules adopted by the commissioner of insurance pursuant to this subdivision may be extended for an additional 180 days if the procedures for adoption of a rule pursuant to section 15.0412, subdivisions 4 to 4g, or 4h, and other provisions of the administrative procedure act related to final agency action and rule adoption have not been concluded.

Sec. 88. [176.1361] [TESTIMONY OF PROVIDERS.]

When a compensation judge or the workers' compensation court of appeals has reason to believe that a medical or other provider of treatment services has submitted false testimony or a false report in any proceeding under this chapter, the compensation judge or the workers' compensation court of appeals shall refer the matter to an appropriate licensing body or other professional certifying organization for review and recommendations. Based upon their recommendation, the commissioner may bar the provider from making an appearance, and disallow the admission into evidence of written reports of the provider, in any proceeding under this chapter for a period not to exceed one year in the first instance and three years in the second instance, and may

permanently bar the provider from appearance and his reports from admission in evidence thereafter.

Sec. 89. [176.152] [PERMANENT PARTIAL DISABILITY PANEL.]

Subdivision 1. [BINDING OPINION; PERMANENT PARTIAL DISABILITY DISPUTES.] Prior to a hearing before a compensation judge at which a significant issue of the extent of permanent partial disability is to be determined a permanent partial disability panel shall be constituted to render a determination on the dispute subject to the limitation in subdivisions 7 and 8.

Subd. 2. [PANEL LIST.] The administrator of the workers' compensation court of appeals shall compile and maintain a list of names of physicians, podiatrists, chiropractors and other health care providers qualified to determine the extent of permanent partial disability. Names may be added to the list and removed at any time by the administrator of the workers' compensation court of appeals. In maintaining the list the administrator of the workers' compensation court of appeals shall to the maximum extent possible select persons from varying geographical areas of the state.

Subd. 3. [PANEL SELECTION.] When a panel is required to be constituted by subdivision 1 the administrator of the workers' compensation court of appeals shall furnish the employer and employee parties to the dispute a list of seven appropriate health care providers from which the parties shall alternatively strike names until only three remain who shall constitute the panel. If both parties agree, the dispute may be decided by a single health care provider. If the parties are unable to agree on who shall strike the first name, priority shall be decided by a flip of the coin.

Subd. 4. [REPORT; CONCLUSION.] The compensation judge, or the chief hearing examiner in cases in which a compensation judge has not yet been assigned, shall propound specific written questions to the panel at the time they are notified of their selection. The questions shall be framed in such a manner that answers to them shall resolve the dispute as to the extent of permanent partial disability. The panel's report shall be binding upon any compensation judge before whom a hearing may be held subsequent to the panel's report, but may be reviewed by the workers' compensation court of appeals or supreme court, only if the report is found to be arbitrary, capricious or based on fraud, in which case the workers' compensation court of appeals or supreme court shall remand the matter to a compensation judge for the seating of a new panel.

Subd. 5. [EXAM; REPORT.] At least one member of the panel shall personally examine the employee within 30 days of the panel's selection. After reviewing the examination report and all other available pertinent information the panel shall report its conclusions to the compensation judge within 45 days after their selection. The compensation judge may extend the time limit for good cause. The report of the panel shall include the examination report and a record of any other evidence or information considered by the panel.

Subd. 6. [COSTS; PAYMENT.] Any physician, podiatrist, chiropractor or other health care provider who agrees to serve on a panel constituted pursuant to this section shall be deemed to agree that any dispute concerning his fees for serving on the panel shall be decided by the compensation judge hearing the case. The judge's decision shall be binding on the health care provider. A

consent form to this effect shall be provided for the signature of the health care provider. No fee shall be approved which is excessive under the standards issued pursuant to section 87 for similar services. The employer shall pay all the panel members' fees, unless the employee has proceeded in bad faith, in which case the employee may be ordered to pay the fees.

Subd. 7. [PILOT PROJECT; REPORT TO LEGISLATURE AND GOVERNOR.] *The administrator of the workers' compensation court of appeals shall establish the permanent partial disability panel provided for in this section on a pilot basis in three counties of his choice, including at least one rural county. The administrator of the workers' compensation court of appeals shall report to the legislature and governor by January 1, 1983, on the number of cases reviewed, the number of health care providers participating, the number of cases settled prior to any hearing before a compensation judge, the cost of the program and his recommendations concerning the panel.*

Subd. 8. [LIMITATION.] *This section shall operate in lieu of section 176.155, subdivision 2, in the counties in which the medical panel is established pursuant to subdivision 7.*

Sec. 90. Minnesota Statutes 1980, Section 176.161, Subdivision 1, is amended to read:

Subdivision 1. [RESIDING OUTSIDE UNITED STATES.] In case a deceased employee for whose injury or death compensation is payable leaves surviving him an alien dependent residing outside the United States the commissioner of the department of labor and industry shall direct the payment of all compensation due the dependent to be made to the duly accredited consular officer of the country of which the beneficiary is a citizen residing within the state, or to his designated representative residing within the state; or, if the commissioner of the department of labor and industry believes that the interests of the dependent will be better served and at any time prior to the final settlement the dependent files with the commissioner of the department of labor and industry a power of attorney designating any other suitable person residing in this state to act as attorney in fact in such proceedings, the commissioner of the department of labor and industry may appoint such person. If it appears necessary to institute proceedings to enforce payment of compensation due the dependent, the commissioner of the department of labor and industry may permit the consular officer to institute these proceedings. If during the pendency of these proceedings, such power of attorney is filed by the alien dependent, the commissioner of the department of labor and industry shall then determine whether such attorney in fact be substituted to represent such dependent or if the consular officer or his representative continue therein. The person so appointed may carry on proceedings to settle all claims for compensation and receive for distribution to such dependent all compensation arising under this chapter. The settlement and distribution of the funds shall be made only on the written order of the commissioner of the department of labor and industry. The person so appointed shall furnish a bond satisfactory to the workers' compensation court of appeals commissioner, conditioned upon the proper application of the money received by him. Before the bond is discharged, the person so appointed shall file with the commissioner of the department of labor and industry a verified account of his receipts and disbursements of such compensation.

Sec. 91. Minnesota Statutes 1980, Section 176.181, Subdivision 2, is

amended to read:

Subd. 2. [COMPULSORY INSURANCE; SELF-INSURERS.] (1) Every employer, except the state and its municipal subdivisions, liable under this chapter to pay compensation shall insure payment of compensation with some insurance carrier authorized to insure workers' compensation liability in this state, or obtain a written order from the commissioner of insurance exempting the employer from insuring his liability for compensation and permitting him to self-insure the liability. The terms, conditions and requirements governing self-insurance shall be established by the commissioner pursuant to chapter 15. The commissioner of insurance shall also adopt, pursuant to clause (2)(c), rules permitting two or more employers, *whether or not they are* in the same industry, to enter into agreements to pool their liabilities under this chapter for the purpose of qualifying as group self-insurers. With the approval of the commissioner of insurance, any employer may exclude medical, chiropractic and hospital benefits as required by this chapter. An employer conducting distinct operations at different locations may either insure or self-insure the other portion of his operations which may be determined by the commissioner of insurance to be a distinct and separate risk. An employer desiring to be exempted from insuring his liability for compensation shall make application to the commissioner of insurance, showing his financial ability to pay the compensation, whereupon by written order the commissioner of insurance may make an exemption as he deems proper. The commissioner of insurance may require further statements of financial ability of the employer to pay compensation. Upon ten days written notice the commissioner of insurance may revoke his order granting an exemption, in which event the employer shall immediately insure his liability. As a condition for the granting of an exemption the commissioner of insurance may require the employer to furnish security the commissioner of insurance considers sufficient to insure payment of all claims under this chapter. If the required security is in the form of currency or negotiable bonds, the commissioner of insurance shall deposit it with the state treasurer. In the event of any default upon the part of a self-insurer to abide by any final order or decision of the commissioner of labor and industry directing and awarding payment of compensation and benefits to any employee or the dependents of any deceased employee, then upon at least ten days notice to the self-insurer, the commissioner of insurance may by written order to the state treasurer require him to sell the pledged and assigned securities or a part thereof necessary to pay the full amount of any such claim or award with interest thereon. This authority to sell may be exercised from time to time to satisfy any order or award of the commissioner of labor and industry or any judgment obtained thereon. When securities are sold the money obtained shall be deposited in the state treasury to the credit of the commissioner of insurance and awards made against any such self-insurer by the commissioner of insurance shall be paid to the persons entitled thereto by the state treasurer upon warrants prepared by the commissioner of insurance and approved by the commissioner of finance out of the proceeds of the sale of securities. Where the security is in the form of a surety bond or personal guaranty the commissioner of insurance, at any time, upon at least ten days notice and opportunity to be heard, may require the surety to pay the amount of the award, the payments to be enforced in like manner as the award may be enforced.

(2)(a) No association, corporation, partnership, sole proprietorship, trust or other business entity shall provide services in the design, establishment or

administration of a group self-insurance plan under rules adopted pursuant to this subdivision unless it is licensed to do so by the commissioner of insurance. 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 of insurance is satisfied that the entity possesses the necessary organization, background, expertise, and financial integrity to supply the services sought to be offered. The commissioner of insurance may issue a license subject to restrictions or limitations, including restrictions or limitations on the type of services which may be supplied or the activities which may be engaged in. The license is for a two year period.

(b) To assure that group self-insurance plans are financially solvent, administered in a fair and capable fashion, and able to process claims and pay benefits in a prompt, fair and equitable manner, entities licensed to engage in such business are subject to supervision and examination by the commissioner of insurance.

(c) To carry out the purposes of this subdivision, the commissioner of insurance may promulgate administrative rules, including emergency rules, pursuant to sections 15.0411 to 15.052. These rules may:

(i) establish reporting requirements for administrators of group self-insurance plans;

(ii) establish standards and guidelines to assure the adequacy of the financing and administration of group self-insurance plans;

(iii) establish bonding requirements or other provisions assuring the financial integrity of entities administering group self-insurance plans;

(iv) establish standards, including but not limited to minimum terms of membership in self-insurance plans, as necessary to provide stability for those plans;

(v) establish standards or guidelines governing the formation, operation, administration and dissolution of self-insurance plans; and

(vi) establish other reasonable requirements to further the purposes of this subdivision.

Sec. 92. Minnesota Statutes 1980, Section 176.181, Subdivision 3, is amended to read:

Subd. 3. [FAILURE TO INSURE, PENALTY.] Any employer who fails to comply with the provisions of subdivision 2 to secure payment of compensation is liable to the state of Minnesota for a penalty of ~~\$50~~ \$100, if the number of uninsured employees in his employment is less than five and for a penalty of ~~\$200~~ \$400 if the number of such uninsured employees in his employment is five or more. *If the commissioner determines that the failure to comply with the provisions of subdivision 2 was willful and deliberate, the employer shall be liable to the state of Minnesota for a penalty of \$500, if the number of uninsured employees in his employment is less than five, and for a penalty of \$2,000 if the number of his uninsured employees is five or more.* If the employer continues his noncompliance, he is liable for five times the lawful premium for compensation insurance for such employer for the period he fails to comply with such provisions, commencing ten days after notice has been served upon

him by the commissioner of the department of labor and industry by certified mail. These penalties may be recovered jointly or separately in a civil action brought in the name of the state by the attorney general in any court having jurisdiction. Whenever any such failure occurs the commissioner of the department of labor and industry shall immediately certify the fact thereof to the attorney general. Upon receipt of such certification the attorney general shall forthwith commence and prosecute such action. All penalties recovered by the state in any such action shall be paid into the state treasury and credited to the special compensation fund. If an employer fails to comply with the provisions of subdivision 2, to secure payment of compensation after having been notified of his duty, the attorney general, upon request of the commissioner of the department of labor and industry, may proceed against the employer in any court having jurisdiction for an order restraining him from having any person in his employment at any time when he is not complying with the provisions of subdivision 2.

Sec. 93. Minnesota Statutes 1980, Section 176.181, is amended by adding a subdivision to read:

Subd. 6. No employer shall be required to provide financial statements certified by an "independent certified public accountant" or "certified public accountant" as a condition of approval for group self-insurance.

Sec. 94. [176.182] [BUSINESS LICENSES OR PERMITS; COVERAGE REQUIRED.]

Every state or local licensing agency shall withhold the issuance of a license or permit to operate a business in Minnesota until the applicant presents acceptable evidence of compliance with the workers' compensation insurance coverage requirement of section 176.181, subdivision 2.

Neither the state nor any governmental subdivision thereof shall enter into any contract before receiving from all other contracting parties acceptable evidence of compliance with the workers' compensation insurance coverage requirement of section 176.181, subdivision 2.

Sec. 95. Minnesota Statutes 1980, Section 176.191, is amended to read:

176.191 [DISPUTE BETWEEN TWO OR MORE EMPLOYERS OR INSURERS REGARDING LIABILITY.]

Subdivision 1. Where compensation benefits are payable under this chapter, and a dispute exists between two or more employers or two or more insurers as to which is liable for payment, the commissioner of labor and industry, compensation judge, or workers' compensation court of appeals upon appeal may shall direct, unless action is taken under subdivision 2, that one or more of the employers or insurers make payment of the benefits pending a determination of liability.

When liability has been determined, the party held liable for the benefits shall be ordered to reimburse any other party for payments which the latter has made, including interest at the rate of five 12 percent a year. The claimant may shall also be awarded a reasonable attorney fee, to be paid by the party held liable for the benefits.

An order directing payment of benefits pending a determination of liability may not be used as evidence before a compensation judge, the workers' com-

pensation court of appeals, or court in which the dispute is pending.

Subd. 2. Where compensation benefits are payable under this chapter, and a dispute exists between two or more employers or two or more insurers as to which is liable for payment, the commissioner ~~of labor and industry may~~ shall authorize, *unless action is taken under subdivision 1*, the special compensation fund established in section 176.131 to make payment of the benefits pending a determination of liability.

The personal injury for which the commissioner ~~may~~ shall order compensation from the special fund is not limited by section 176.131, subdivision 8.

When liability has been determined, the party held liable for benefits shall be ordered to reimburse the special compensation fund for payments made, including interest at the rate of 12 percent a year.

Subd. 3. If a dispute exists as to whether an employee's injury is compensable under this chapter and the employee is otherwise covered by an insurer pursuant to chapters 62A, 62C and 62D, that insurer shall pay any medical costs incurred by the employee for the injury *and shall make any disability payments otherwise payable by that insurer in the absence of or in addition to workers' compensation liability*. If the injury is subsequently determined to be compensable pursuant to this chapter, the workers' compensation insurer shall be ordered to reimburse the insurer that made the payments for all ~~medical~~ payments made *under this subdivision* by the insurer ~~for the injury~~, including interest at a rate of 12 percent a year.

Subd. 4. If the employee's medical expenses for a personal injury are paid pursuant to any program administered by the commissioner of public welfare, *or he receives subsistence or other payments pursuant to such a program*, and it is subsequently determined that the injury is compensable pursuant to this chapter, the workers' compensation insurer shall reimburse the commissioner of public welfare for the ~~medical expenses paid and attributable to the personal injury payments made~~, including interest at a rate of 12 percent a year.

Amounts paid to an injured employee pursuant to such a program and attributable to the personal injury shall be deducted from any settlement or award of compensation or benefits under this chapter. The insurer shall attempt, with due diligence, to ascertain whether payments have been made to an injured employee pursuant to such a program prior to any settlement or issuance of a binding award and shall notify the commissioner when such payments have been made.

Sec. 96. Minnesota Statutes 1980, Section 176.221, is amended to read:

176.221 [PAYMENT OF COMPENSATION AND TREATMENT CHARGES, COMMENCEMENT.]

Subdivision 1. ~~[DENIAL OF LIABILITY, REQUEST FOR EXTENSION OF TIME COMMENCEMENT OF PAYMENT.]~~ Within 30 days from the date of notice to or knowledge by the employer of an injury compensable under the chapter, and unless within that 30 day period the employer or the insurer files with the commissioner of the department of labor and industry a denial of liability or a request for an extension of time within which to determine liability, the person responsible for payment of compensation, charges for treatment under section 176.135 or retraining expenses under 176.102, sub-

~~division 9 shall begin payment of compensation or charges for treatment. Within 14 days of notice to or knowledge by the employer of an injury compensable under this chapter the payment of compensation due pursuant to section 176.101, subdivision 1, shall commence. Commencement of payment by an employer or insurer does not waive any rights to any defense the employer may have on any claim or incident either with respect to the compensability of the claim under chapter 176 or the amount of the compensation due. Where there are multiple employers, the first employer shall pay, unless it is shown that the injury has arisen out of employment with the second or subsequent employer. When the employer determines that the disability is not a result of a personal injury, payment of compensation may be discontinued upon notice of discontinuance pursuant to section 176.241. Upon the determination, payments made may be recovered by the employer if the commissioner finds that the employee's claim of work related disability was not made in good faith.~~

Subd. 2. [GRANT OF EXTENSION.] Upon application made within ~~the 30 day period referred to in subdivision 1~~ days after the date on which the first payment was due, the commissioner of the department of labor and industry may grant an extension of time within which to determine liability. The extension shall not exceed 30 days.

Subd. 3. [PAYMENTS TO SPECIAL COMPENSATION FUND.] Where an employer or insurer fails to begin payment of compensation, charges for treatment under section 176.135 or retraining expenses under 176.102, subdivision 9, or to file a denial of liability, or to request an extension of time within ~~the 30 day period referred to in subdivision 1~~ days after the date on which the first payment was due, he shall pay to the special compensation fund an amount equal to the total amount of compensation to which the employee is entitled because of the injury. In addition, each day subsequent to the end of the 30 day period and until a compensation payment is made to the injured employee, the person responsible for payment of compensation shall pay to the special compensation fund an amount equal to the total compensation to which the injured employee is entitled.

Subd. 4. [FAILURE TO MAKE PAYMENTS AFTER EXTENSION.] Where an employer or insurer has been granted an extension of time within which to determine liability and fails to begin payment of compensation, charges for treatment under section 176.135 or retraining expenses under 176.102, subdivision 9 or to file a denial of liability within such extended period, he shall make the payments provided in subdivision 3.

Subd. 5. [DOUBLE PAYMENTS TO SPECIAL COMPENSATION FUND.] Where an employer or insurer has failed to make the payments required by subdivision 3 or subdivision 4 within ~~60~~ 30 days from the end of the 30 day period or the extended period, the division may require him to pay to the special compensation fund, each day subsequent to the end of the period and until a compensation payment is made to the injured employee, a sum equal to double the total amount of compensation to which the employee is entitled because of the injury. In addition, the person responsible for compensation, charges for treatment under section 176.135 or retraining expenses under 176.102, subdivision 9 shall pay to the special compensation fund an amount equal to the total amount of compensation to which the employee is entitled.

Subd. 6. [ASSESSMENT OF PENALTIES.] The division shall assess the penalty payments provided for by subdivisions 3 to 5, and any increase in benefit payments provided by section 176.225, subdivision 5, against either the employer or the insurer depending upon to whom the delay is attributable in making payment of compensation, charges for treatment under section 176.135 or retraining expenses under 176.102, subdivision 9. The insurer is not liable for a penalty payment assessed against the employer.

Subd. 7. [INTEREST.] Any payment of compensation, charges for treatment under section 176.135 or retraining expenses under 176.102, subdivision 9 not made when due shall bear interest at the rate of eight percent per annum from the due date to the date the payment is made.

Subd. 8. [METHOD AND TIMELINESS OF PAYMENT.] Payment of compensation under this chapter shall be by immediately payable negotiable instrument, or if by any other method, arrangements shall be available to provide for the immediate negotiability of the payment instrument.

All payment of compensation shall be made within 14 days of an appropriate order by the division, unless the order is to be appealed, or where a different time period is provided by this chapter.

Sec. 97. Minnesota Statutes 1980, Section 176.225, is amended by adding a subdivision to read:

Subd. 5. [PENALTY.] Where the employer is guilty of inexcusable delay in making payments, the payments which are found to be delayed shall be increased by 10 percent. Withholding amounts unquestionably due because the injured employee refuses to execute a release of his right to claim further benefits will be regarded as inexcusable delay in the making of compensation payments. If any sum ordered by the department to be paid is not paid when due, and no appeal of the order is made, the sum shall bear interest at the rate of 12 percent per annum. Any penalties paid pursuant to this section shall not be considered as a loss or expense item for purposes of a petition for a rate increase made pursuant to chapter 79.

Sec. 98. Minnesota Statutes 1980, Section 176.231, Subdivision 2, is amended to read:

Subd. 2. [INITIAL REPORT, WRITTEN REPORT.] Where subdivision 1 requires an injury to be reported within 48 hours, the employer may make his initial report by telephone, telegraph, or personal notice, and file a written report of the injury within seven days from its occurrence or within such time as the commissioner of labor and industry designates. All written reports of injuries required by subdivision 1 shall include the date of injury, amounts of payments made, if any, and the date of the first payment. The reports shall be in quadruplicate on a form designed by the commissioner, with two copies to the commissioner and one to the insurer.

If an insurer or self insurer repeatedly fails to pay benefits within three days of the due date, pursuant to section 176.221, the insurer or self insurer shall be ordered by the commissioner to explain, in person, the failure to pay benefits due in a reasonable time. If prompt payments are not thereafter made, the commissioner shall refer the insurer or self insurer to the commissioner of insurance for action pursuant to section 176.225, subdivision 4.

Sec. 99. Minnesota Statutes 1980, Section 176.231, Subdivision 7, is

amended to read:

Subd. 7. [MEDICAL REPORTS.] If requested by the division ~~or by~~, a *compensation judge*, the workers' compensation court of appeals, or any member or employee thereof an employer, insurer, or employee shall file with the commissioner ~~of the department of labor and industry~~ the original or a verified copy of any medical report in his possession which bears upon the case *and shall also file a verified copy of the same report with the agency or individual who made the request.*

Sec. 100. Minnesota Statutes 1980, Section 176.241, Subdivision 1, is amended to read:

Subdivision 1. [NECESSITY FOR NOTICE AND SHOWING; CONTENTS.] Where an employee claims that the right to compensation continues, ~~or refuses to sign or objects to signing a final receipt for compensation~~, the employer may not discontinue payment of compensation until he provides the ~~division employee~~ with notice in writing of his intention to do so, together with a statement of facts clearly indicating the reasons for the discontinuance. *A copy of the notice shall be provided to the division by the employer.*

The notice to the *employee and the copy to the division* shall state the date of intended discontinuance; ~~and the reason for the action; and the fact that the employee objects to the discontinuance.~~ The *notice to the employee and the copy to the division* shall be accompanied by a statement of facts in support of the discontinuance of compensation payments and whatever medical reports are in the possession of the employer bearing on the physical condition of the employee at the time of the proposed discontinuance.

Sec. 101. Minnesota Statutes 1980, Section 176.241, Subdivision 2, is amended to read:

Subd. 2. [CONTINUANCE OF EMPLOYER'S LIABILITY; SUSPENSION.] Except where the commissioner ~~of the department of labor and industry~~ orders otherwise, until the *copy of the notice and reports* have been filed with the division, the liability of the employer to make payments of compensation continues.

When the division has received a *copy of the notice of discontinuance*, the statement of facts and available medical reports, the duty of the employer to pay compensation is suspended pending an investigation, hearing, and determination of the matter by the division as provided in the following subdivisions.

Sec. 102. Minnesota Statutes 1980, Section 176.241, Subdivision 3, is amended to read:

Subd. 3. [COPY OF NOTICE TO EMPLOYEE, INVESTIGATION, HEARING.] ~~When the division has received a notice of discontinuance, it shall immediately send the employee a copy of the notice and supporting documents which have been submitted in conjunction with the notice.~~ *When the employer has reason to believe compensation may be terminated within the requirements of this chapter, notice shall be given to the employee informing the employee of his right to object to the discontinuance and providing instructions as to how to contact the employer or insurer regarding the discontinuance and the procedures related to initiation of a claim. The commissioner of labor and in-*

~~dustry~~ shall make an investigation to determine whether the right to compensation has terminated. If it appears from the investigation that the right to compensation may not have terminated, the commissioner of ~~labor and industry~~ shall ~~schedule~~ refer the matter to the chief hearing examiner in order that a hearing before a compensation judge may be scheduled, to determine the right of the employee, or his dependent, to further compensation.

The hearing shall be held within a reasonable time after the division has received the notice of discontinuance. The ~~commissioner of labor and industry~~ compensation judge shall give eight days notice of the hearing to interested parties.

Sec. 103. [176.262] [APPOINTMENT OF COMPENSATION JUDGES; LIMITATION.]

No attorney acting pursuant to section 176.261 shall be hired or appointed as a compensation judge for a period of two years following termination of service with the division.

Sec. 104. Minnesota Statutes 1980, Section 176.291, is amended to read:

176.291 [DISPUTES AND DEFAULTS; PROCEDURE.]

Where there is a dispute as to a question of law or fact in connection with a claim for compensation, or where there has been a default in the payment of compensation for a period of ten days, a party may present a verified petition to the commissioner of ~~the department of labor and industry~~ stating the matter in dispute or the fact of default.

The petition shall also state:

- (1) names and residence of parties;
- (2) facts relating to the employment at the time of injury, including amount of wages received;
- (3) extent and character of injury;
- (4) notice to or knowledge by employer of injury;
- (5) facts which the commissioner of ~~the department of labor and industry and workers' compensation court of appeals~~ by rule requires; and,
- (6) such other facts as are necessary for the information of the commissioner of ~~the department of labor and industry and~~, a compensation judge or the workers' compensation court of appeals.

Sec. 105. Minnesota Statutes 1980, Section 176.301, Subdivision 1, is amended to read:

Subdivision 1. [TRIAL BY COURT; REFERENCE TO COMMISSIONER OF THE DEPARTMENT OF LABOR AND INDUSTRY.] When issue has been joined in the district court action, the court may try the action itself without a jury, or refer the matter to the commissioner of ~~the department of labor and industry to be assigned for hearing~~. In the latter case, *the commissioner shall refer the matter to the chief hearing examiner for assignment to a compensation judge or the workers' compensation court of appeals upon appeal shall hear the case in the manner in which it hears cases originally. The commissioner of the department of labor and industry shall report the findings*

and decision of the compensation judge, or the workers' compensation court of appeals shall report his findings and decisions to the district court. The court may approve or disapprove such decision in the same manner as it approves or disapproves the report of a referee. The court shall enter judgment upon such decision.

Sec. 106. Minnesota Statutes 1980, Section 176.305, is amended to read:

176.305 [PETITIONS FILED WITH THE WORKERS' COMPENSATION DIVISION.]

Subdivision 1. [HEARINGS ON PETITIONS.] *The petitioner shall serve a copy of the petition on each adverse party personally or by first class mail. The original petition shall then be filed with the commissioner together with an appropriate affidavit of service. When any petition has been filed with the workers' compensation division, the commissioner of the department of labor and industry shall, pursuant to his general rules or those of the workers' compensation court of appeals or special order within ten days, direct that refer the matter presented by the petition to a settlement judge. The settlement judge shall schedule a settlement conference if appropriate within 60 days. If a settlement conference is not appropriate, or if such a conference or conferences do not result in progress toward a settlement, the settlement judge shall certify the matter for a hearing before a compensation judge and shall refer the matter to the chief hearing examiner to be heard by a compensation judge or presented to the workers' compensation court of appeals if it is a matter within its jurisdiction. The division shall hear petitions to commute further compensation.*

Subd. 2. [SERVICE OF COPY OF PETITION.] *Within ten days after a petition has been filed, the commissioner of the department of labor and industry shall serve upon each adverse party a copy of the petition and a notice stating whether the hearing will be held before a compensation judge or that the petition has been referred to the workers' compensation court of appeals. The commissioner of the department of labor and industry shall deliver the original petition and copies of the notice which have been served answer, after certification for a hearing before a compensation judge by a settlement judge, to the office of administrative hearings for assignment to a compensation judge or the workers' compensation court of appeals depending upon who will hear the matter.*

Subd. 3. [TESTIMONY.] *Unless the workers' compensation court of appeals orders differently, testimony taken before a judge of the workers' compensation court of appeals or compensation judge is considered as though taken before the workers' compensation court of appeals. Where the commissioner of the department of labor and industry chief hearing examiner has substituted a compensation judge originally assigned to hear a matter, the testimony taken before the substitute compensation judge shall be considered as though taken before the judge before whom it was originally assigned.*

Sec. 107. [176.306] [SCHEDULED HEARINGS.]

Subdivision 1. [CHIEF HEARING EXAMINER.] *The chief hearing examiner shall schedule workers' compensation hearings on as regular a schedule as may be practicable in no fewer than six widely separated locations throughout the state, including at least four locations outside of the seven*

county metropolitan area and Duluth, for the purpose of providing a convenient forum for parties to a compensation hearing and shall maintain a permanent office in Duluth staffed by at least one compensation judge.

Subd. 2. [DISTRICT ADMINISTRATORS; CLERKS OF COURT.] *The judicial district administrators or the clerks of court of the county or district courts nearest to the locations selected by the chief hearing examiner pursuant to subdivision 3 shall provide suitable hearing rooms at the times and places agreed upon for the purpose of conducting workers' compensation hearings.*

Sec. 108. Minnesota Statutes 1980, Section 176.311, is amended to read:

176.311 [REASSIGNMENT OF PETITION FOR HEARING.]

Where a petition is heard before a compensation judge, at any time before an award or order has been made in such proceeding, the ~~commissioner of the department of labor and industry~~ chief hearing examiner may reassign the petition for hearing before another compensation judge.

Sec. 109. Minnesota Statutes 1980, Section 176.321, Subdivision 1, is amended to read:

Subdivision 1. [FILING, SERVICE.] Within ~~ten~~ twenty days after he has been served with a copy of the petition, an adverse party may file a verified answer to the petition. When he files the answer, the party shall also serve a copy on the petitioner or his attorney.

Within five days after he has been served with a copy of the answer, the petitioner may file a verified reply admitting or denying new matter set forth in the answer.

Sec. 110. Minnesota Statutes 1980, Section 176.321, Subdivision 3, is amended to read:

Subd. 3. [EXTENSION OF TIME IN WHICH TO FILE ANSWER.] Upon showing of cause, the commissioner of the department of labor and industry may extend the time in which to file an answer or reply for not more than 30 additional days. *The time to file an answer or reply may also be extended upon agreement of the petitioner. If an answer is not filed and there has been no extension by order of the commissioner or by agreement, the failure to file an answer shall be treated as a default.*

Sec. 111. Minnesota Statutes 1980, Section 176.331, is amended to read:

176.331 [AWARD BY DEFAULT.]

Where an adverse party has failed to file and serve an answer, if the petitioner presents proof of such fact, the ~~commissioner of the department of labor and industry~~ or compensation judge shall enter whatever award or order to which petitioner is entitled on the basis of the facts alleged in the petition, but the ~~commissioner of the department of labor and industry~~ or compensation judge may require proof of ~~any~~ an alleged fact. If the commissioner of the ~~department of labor and industry~~ requires such proof, he shall *request the chief hearing examiner* to assign the matter to a compensation judge to summarily hear and determine the same and to promptly make an award or order.

Where in such a default case the petition does not state facts sufficient to support an award, the ~~commissioner of the department of labor and industry~~ or

compensation judge shall give the petitioner or his attorney written notice of ~~such fact this deficiency~~. The petitioner may thereupon file another petition as in the case of an original petition.

Sec. 112. Minnesota Statutes 1980, Section 176.341, Subdivision 1, is amended to read:

Subdivision 1. [TIME.] When the reply has been filed or the time has expired in which to file a reply; ~~the commissioner of the department of labor and industry~~ *chief hearing examiner* shall fix a time and place for hearing the petition. The hearing shall be held ~~not less than ten days from the time the reply is filed or the expiration of the time in which the reply could have been filed or as soon thereafter as the parties can be heard as soon as practicable and at a time and place determined by the chief hearing examiner to be the most convenient for the parties, keeping in mind the intent of chapter 176 as expressed in section 52 and the requirements of section 107.~~

Sec. 113. Minnesota Statutes 1980, Section 176.351, is amended to read:

176.351 [TESTIMONIAL POWERS.]

Subdivision 1. [OATHS.] The compensation judge to whom a petition has been assigned for hearing shall administer an oath to each witness. ~~The workers' compensation court of appeals shall also administer an oath to each witness appearing before it.~~ The commissioner of the department of labor and industry may also administer an oath when required in the performance of his duties.

Subd. 2. [SUBPOENAS.] Upon his ~~or its~~ own initiative, or upon written request of an interested party, ~~the workers' compensation court of appeals, or the commissioner or compensation judge before whom a hearing is held~~ may issue a subpoena for the attendance of a witness or the production of such books, papers, records and documents as are material in the cause and are designated in the subpoena. ~~The commissioner of the department of labor and industry~~ may also issue a subpoena for the attendance of a witness or the production of such books, papers, records, and documents as are material in the cause pending and are designated in the subpoena.

Subd. 3. [ADVANCEMENT OF FEES AND COSTS.] The person who applies for issuance of a subpoena shall advance the required service and witness fees. ~~The commissioner of the department of labor and industry shall pay for the attendance of witnesses who are subpoenaed by him; or the workers' compensation court of appeals, or a judge of the workers' compensation court of appeals, or. The chief hearing examiner shall pay for the attendance of witnesses who are subpoenaed by a compensation judge.~~ The fees are the same as the service and witness fees in civil actions in district court.

Subd. 4. [PROCEEDINGS AS FOR CONTEMPT OF COURT.] Where a person does not comply with an order or subpoena, ~~the commissioner of the department of labor and industry, the workers' compensation court of appeals, or the commissioner or compensation judge concerned,~~ may apply to the district court in the county in which the petition is pending for issuance of an order compelling obedience. Upon such an application, the district court shall compel obedience to the order or subpoena by attachment proceedings as for contempt in the case of disobedience of a similar order or subpoena issued by the district court.

Sec. 114. Minnesota Statutes 1980, Section 176.371, is amended to read:

176.371 [AWARD OR DISALLOWANCE OF COMPENSATION.]

The ~~workers' compensation court of appeals, or a judge of the workers' compensation court of appeals or~~ compensation judge to whom a petition has been assigned for hearing, shall hear all competent evidence produced at the hearing, and, as soon after the hearing as possible, make ~~such~~ findings of fact, conclusions of law, and award or disallowance of compensation or other order as the pleadings, evidence, and this chapter *and rule* require.

Sec. 115. Minnesota Statutes 1980, Section 176.381, is amended to read:

176.381 [REFERENCE OF QUESTIONS OF FACT.]

Subdivision 1. [HEARING BEFORE WORKERS' COMPENSATION COURT OF APPEALS.] In the hearing of any matter before the workers' compensation court of appeals, the *chief judge of the workers' compensation court of appeals* may refer any question of fact to a ~~judge of the workers' compensation court of appeals or the chief hearing examiner for assignment to~~ a compensation judge either to hear evidence and report it to the workers' compensation court of appeals or to hear evidence and make findings of fact and report them to the workers' compensation court of appeals. The workers' compensation court of appeals shall notify the commissioner ~~of the department of labor and industry~~ of any matter referred to a ~~judge of the workers' compensation court of appeals or~~ a compensation judge under this subdivision.

Subd. 2. [HEARING BEFORE COMPENSATION JUDGE.] In the hearing of any petition before a compensation judge, the ~~commissioner of the department of labor and industry~~ *chief hearing examiner* may refer any question of fact to another compensation judge to hear evidence and report it to the original compensation judge.

Sec. 116. Minnesota Statutes 1980, Section 176.391, is amended to read:

176.391 [INVESTIGATIONS.]

Subdivision 1. [POWER TO MAKE.] Before, during, or after any hearing, the commissioner ~~of the department of labor and industry ; or a compensation judge ; or workers' compensation court of appeals,~~ if the matter is before it, may make an independent investigation of the facts alleged in the petition or answer.

Subd. 2. [APPOINTMENT OF PHYSICIANS, SURGEONS, AND OTHER EXPERTS.] The ~~workers' compensation court of appeals, or a judge of the workers' compensation court of appeals or~~ compensation judge assigned to a matter, or the commissioner ~~of labor and industry,~~ may appoint one or more neutral physicians or surgeons from the list established by the commissioner to examine the injury of the employee and report thereon *except as provided otherwise pursuant to section 88*. Where necessary to determine the facts, the services of other experts may also be employed.

Subd. 3. [REPORTS.] The report of a physician, surgeon, or other expert shall be filed with the commissioner ~~of the department of labor and industry~~ *and the compensation judge assigned to the matter if any*. The report shall be made a part of the record of the case and be open to inspection as such.

Subd. 4. [COMPENSATION.] The commissioner ~~of the department of~~

~~labor and industry ; or compensation judge ; or workers' compensation court of appeals, as the case may be,~~ shall fix the compensation of a physician, surgeon, or other expert whose services are employed under this chapter. This compensation shall be paid initially out of the funds appropriated for the maintenance of the workers' compensation division, but shall be taxed as costs to either party, or both, or otherwise, as the commissioner of the department of labor and industry ; or compensation judge ; or the workers' compensation court of appeals directs.

Where a sum which has been taxed to a party has not been paid, it may be collected in the same manner as are costs generally.

Sec. 117. Minnesota Statutes 1980, Section 176.401, is amended to read:

176.401 [HEARINGS PUBLIC.]

All hearings before ~~the workers' compensation court of appeals, a judge of the workers' compensation court of appeals, or a compensation judge~~ are public.

Sec. 118. Minnesota Statutes 1980, Section 176.411, Subdivision 1, is amended to read:

Subdivision 1. [CONDUCT OF HEARINGS AND INVESTIGATIONS.] Except as otherwise provided by this chapter, when ~~the workers' compensation court of appeals, a judge of the workers' compensation court of appeals or a~~ compensation judge makes an investigation or conducts a hearing, ~~it or he the compensation judge~~ is bound neither by the common law or statutory rules of evidence nor by technical or formal rules of pleading or procedure. The investigation or hearing shall be conducted in a manner to ascertain the substantial rights of the parties.

Findings of fact shall be based upon competent evidence only *and shall comport with section 176.021*.

Sec. 119. Minnesota Statutes 1980, Section 176.411, Subdivision 2, is amended to read:

Subd. 2. [DEPOSITIONS.] Except where ~~the workers' compensation court of appeals, a judge of the workers' compensation court of appeals, or a~~ compensation judge orders otherwise, depositions may be taken in the manner which the law provides for depositions in civil actions in district court.

Sec. 120. Minnesota Statutes 1980, Section 176.421, Subdivision 1, is amended to read:

Subdivision 1. [TIME FOR TAKING; GROUNDS.] When a petition has been heard before a ~~judge of the workers' compensation court of appeals or~~ compensation judge, within 30 days after a party in interest has been served with notice of an award or disallowance of compensation, or other order affecting the merits of the case, he may appeal to the workers' compensation court of appeals on any of the following grounds:

(1) The order does not conform with this chapter; or

(2) The ~~judge of the workers' compensation court of appeals or~~ compensation judge committed an error of law; or

(3) The findings of fact and order were unwarranted by the evidence; or

(4) The findings of fact and order were procured by fraud, or coercion, or other improper conduct of a party in interest.

Sec. 121. Minnesota Statutes 1980, Section 176.421, Subdivision 4, is amended to read:

Subd. 4. [SERVICE AND FILING OF NOTICE; COST OF TRANSCRIPT.] Within the 30 day period for taking an appeal, the appellant shall:

(1) Serve a copy of the notice of appeal on each adverse party;

(2) File the original notice, with proof of service by admission or affidavit, with the ~~commissioner of the department of labor and industry~~ *chief hearing examiner*;

(3) In order to defray the cost of the transcript of the proceedings appealed from, pay to the ~~commissioner of the department of labor and industry~~ *chief hearing examiner* the sum of \$10 or so much of that sum as is necessary to present the question raised on the appeal.

The appellant is liable for the cost of the transcript in excess of \$10, but is entitled to a refund of any part of that sum not used to pay the cost of the transcript.

Upon a showing of cause, the ~~commissioner~~ *chief hearing examiner of the department of labor and industry* may direct that a transcript be prepared without expense to the appellant, *in which case the cost of the transcript shall be paid by the office of administrative hearings.*

Sec. 122. Minnesota Statutes 1980, Section 176.421, Subdivision 5, is amended to read:

Subd. 5. [TRANSCRIPT.] When the notice of appeal has been filed with the ~~commissioner of the department of labor and industry~~ *chief hearing examiner* and the transcription fee has been paid, the ~~commissioner of the department of labor and industry~~ *chief hearing examiner* shall immediately prepare a type-written transcript of the proceedings. The official reporter or other person designated by the *chief hearing examiner* who transcribes the proceedings shall certify to their correctness.

Sec. 123. Minnesota Statutes 1980, Section 176.421, Subdivision 6, is amended to read:

Subd. 6. [POWERS OF WORKERS' COMPENSATION COURT OF APPEALS ON APPEAL.] On an appeal taken under this section, the workers' compensation court of appeals may:

(1) disregard the findings of fact which the ~~judge of the workers' compensation court of appeals~~ or compensation judge has made;

(2) examine the ~~testimony and hear other evidence~~ *record*;

(3) substitute for the findings of fact made by the ~~judge of the workers' compensation court of appeals~~ or compensation judge such findings as the total evidence requires; and,

(4) make ~~such an~~ award or disallowance of compensation or other order as the facts and findings require.

Sec. 124. Minnesota Statutes 1980, Section 176.421, Subdivision 7, is amended to read:

Subd. 7. [RECORD OF PROCEEDINGS.] At the division's own expense, the commissioner of the department of labor and industry shall make a complete record of all proceedings before himself; ~~the workers' compensation court of appeals; a judge of the workers' compensation court of appeals, or compensation judge.~~ The commissioner of the department of labor and industry shall provide a stenographer to make a record of the proceedings before him.

The stenographer commissioner shall furnish a transcript of these proceedings to any person who requests it and who pays a reasonable charge. ~~The commissioner of the department of labor and industry and~~ shall fix the amount of this charge.

Sec. 125. Minnesota Statutes 1980, Section 176.431, Subdivision 1, is amended to read:

Subdivision 1. [HEARING.] Where an appeal has been taken to the workers' compensation court of appeals under this chapter on the ground that the compensation judge has made an error of law, the workers' compensation court of appeals shall grant a hearing, *based on the record before the compensation judge, with an opportunity for oral argument.* ~~The commissioner chief hearing examiner of the department of labor and industry~~ shall notify the workers' compensation court of appeals promptly of the taking of any appeal.

The workers' compensation court of appeals shall fix a time and place for the hearing; and ~~notify the commissioner of the department of labor and industry who~~ shall give each party in interest at least five days written notice.

Sec. 126. Minnesota Statutes 1980, Section 176.441, Subdivision 1, is amended to read:

Subdivision 1. [DISPOSITION BY WORKERS' COMPENSATION COURT OF APPEALS.] Where an appeal has been taken to the workers' compensation court of appeals under this chapter, on either the ground that the findings or order or both were unwarranted by the evidence, or were procured by fraud, coercion, or other improper conduct of a party, the workers' compensation court of appeals may:

- (1) grant a hearing ~~de novo~~ *based on the record before the compensation judge*; or,
- (2) ~~assign remand~~ the petition for a *de novo* hearing or a rehearing; and notify the ~~commissioner of the department of labor and industry, who shall set chief hearing examiner, who shall assign the de novo hearing or the rehearing~~ before a compensation judge; or,
- (3) sustain, reverse, or modify the order appealed from.

Sec. 127. Minnesota Statutes 1980, Section 176.461, is amended to read:

176.461 [SETTING ASIDE AWARD.]

Except where a writ of certiorari has been issued by the supreme court and the matter is still pending in that court or where as a matter of law the determination of the supreme court cannot be subsequently modified, the workers' compensation court of appeals, for cause, at any time after an award, upon application of either party and not less than five days after written notice to all interested parties, may set the award aside and grant a new hearing ~~before itself~~

or and refer the matter for a determination on its merits to the chief hearing examiner for assignment to a compensation judge, who shall make such findings of fact, conclusions of law, and award or disallowance of compensation or other order as the pleadings and the evidence produced and the provisions of this chapter shall require.

Sec. 128. Minnesota Statutes 1980, Section 176.471, Subdivision 3, is amended to read:

Subd. 3. [SERVICE OF WRIT AND BOND; FILING FEE.] To effect a review upon certiorari, the party shall serve a writ of certiorari and a bond upon the ~~commissioner of the department of labor and industry administrator of the workers' compensation court of appeals~~ within the 30 day period referred to in subdivision 1. The party shall also at this time pay to the ~~secretary of the commissioner of the department of labor and industry administrator~~ the fee prescribed by rule 103.01 of the rules of civil appellate procedure which shall be disposed of in the manner provided by that rule.

Sec. 129. Minnesota Statutes 1980, Section 176.471, Subdivision 5, is amended to read:

Subd. 5. [BOND.] The bond required by subdivision 3 shall be executed in such amount and with such sureties as the ~~commissioner of the department of labor and industry workers' compensation court of appeals~~ directs and approves. The bond shall be conditioned to pay the cost of the review.

Sec. 130. Minnesota Statutes 1980, Section 176.471, Subdivision 6, is amended to read:

Subd. 6. [TRANSMITTAL OF FEE AND RETURN.] When the writ of certiorari has been served upon the ~~commissioner of the department of labor and industry administrator of the workers' compensation court of appeals~~, the bond has been filed, and the filing fee has been paid, the ~~commissioner of the department of labor and industry administrator~~ shall immediately transmit to the clerk of the supreme court that filing fee and the return to the writ of certiorari and bond.

Sec. 131. Minnesota Statutes 1980, Section 176.471, Subdivision 8, is amended to read:

Subd. 8. [RETURN OF PROCEEDINGS TRANSMITTED TO COURT.] Within 30 days after the writ of certiorari, bond, and filing fee have been filed with the ~~commissioner of the department of labor and industry administrator of the workers' compensation court of appeals~~, the ~~commissioner of the department of labor and industry administrator~~ shall transmit to the clerk of the supreme court a true and complete return of the proceedings of the workers' compensation court of appeals under review, or such part of those proceedings as is necessary to allow the supreme court to review properly the questions presented.

The ~~commissioner of the department of labor and industry workers' compensation court of appeals~~ shall certify the return of the proceedings under his ~~its~~ seal. The petitioner or relator shall pay to the ~~commissioner of the department of labor and industry administrator of the workers' compensation court of appeals~~ the reasonable expense of preparing the return.

Sec. 132. Minnesota Statutes 1980, Section 176.491, is amended to read:

176.491 [STAY OF PROCEEDINGS PENDING DISPOSITION OF CASE.]

Where a writ of certiorari has been perfected under this chapter, it stays all proceedings for the enforcement of the order being reviewed until the case has been finally disposed of either in the supreme court or, where the cause has been remanded to ~~the workers' compensation division~~ for a new hearing *before a compensation judge* or further proceedings, ~~before the workers' compensation court of appeals or compensation judge.~~

Sec. 133. Minnesota Statutes 1980, Section 176.511, Subdivision 1, is amended to read:

Subdivision 1. [PARTIES NOT AWARDED COSTS.] Except as provided otherwise by this chapter and specifically by this section, ~~in hearings appeals before the workers' compensation court of appeals, or a judge of the workers' compensation court of appeals, or hearings before a compensation judge,~~ costs shall not be awarded to either party.

Sec. 134. Minnesota Statutes 1980, Section 176.521, Subdivision 1, is amended to read:

Subdivision 1. [VALIDITY.] An agreement between an employee or his dependent and the employer or insurer to settle any claim, which is not upon appeal before the workers' compensation court of appeals, for compensation under this chapter is valid where it has been executed in writing and signed by the parties, and intervenors in the matter, and the division *or a compensation judge* has approved the settlement and made an award thereon. If the matter is upon appeal before the workers' compensation court of appeals *or district court*, the workers' compensation court of appeals *or district court* is the approving body.

Sec. 135. Minnesota Statutes 1980, Section 176.521, Subdivision 2, is amended to read:

Subd. 2. [APPROVAL.] Settlements shall be approved only where the terms conform with this chapter.

The division, *a compensation judge*, and the workers' compensation court of appeals shall exercise discretion in approving or disapproving a proposed settlement.

The parties to the agreement of settlement have the burden of proving that the settlement is reasonable, fair, and in conformity with this chapter. A settlement agreement where both the employee or his dependent and the employer or insurer and intervenors in the matter are represented by an attorney shall be presumed to be reasonable, fair, and in conformity with this chapter.

Sec. 136. Minnesota Statutes 1980, Section 176.531, Subdivision 3, is amended to read:

Subd. 3. [PROMPT PAYMENT.] ~~It is the intent of this section shall be liberally construed to insure the that there be prompt payment of compensation.~~

Sec. 137. Minnesota Statutes 1980, Section 176.645, is amended to read:

176.645 [ADJUSTMENT OF BENEFITS.]

Subdivision 1. [AMOUNT.] For injuries occurring after October 1, 1975 for which benefits are payable under section 176.101, subdivisions 1, 2 and 4, and section 176.111, subdivision 5, the ~~amount~~ *total benefits* due the employee or any dependents shall be adjusted in accordance with this section. On October 1, 1976 1981, and ~~each October 1~~ thereafter *on the anniversary of the date of the employee's injury* the ~~amount~~ *total benefits* due shall be adjusted by multiplying the ~~amount~~ *total benefits* due prior to each adjustment by a fraction, the denominator of which is the statewide average weekly wage for December 31, ~~24 months prior of the year two years previous to the adjustment~~ and the numerator of which is the statewide average weekly wage for December 31, ~~nine months prior of the year previous to the adjustment~~. For injuries occurring after October 1, 1975, all adjustments provided for in this section shall be included in computing any benefit due under this section. Any limitations of amounts due for daily or weekly compensation under this chapter shall not apply to adjustments made under this section. No adjustment increase made on October 1, 1977 or thereafter under this section shall exceed six percent a year. In those instances where the adjustment under the formula of this section would exceed this maximum the increase shall be deemed to be six percent.

Subd. 2. [TIME OF FIRST ADJUSTMENT.] For injuries occurring on or after October 1, 1981, the initial adjustment made pursuant to subdivision 1 shall be deferred until the first anniversary of the date of the injury.

Sec. 138. Minnesota Statutes 1980, Section 179.74, Subdivision 4, is amended to read:

Subd. 4. The commissioner of employee relations shall meet and negotiate with the exclusive representative of each of the units specified in section 179.741, subdivision 1, in the manner prescribed by sections 179.61 to 179.76. The appropriate units provided for in section 179.741 shall be the only appropriate units for executive branch state employees. The positions and classes of positions in the classified and unclassified services defined as managerial by the commissioner of employee relations in accordance with the provisions of section 43.326 and so designated in the official state compensation schedules, all unclassified positions in the state university system and the community college system defined as managerial by their respective boards, all positions of physician employees compensated pursuant to section 43.126, the positions of all unclassified employees appointed by the governor, lieutenant governor, secretary of state, attorney general, treasurer and auditor, all positions in the bureau of mediation services and the public employment relations board, all hearing examiner and compensation judge positions in the office of administrative hearings, and the positions of all confidential employees shall be excluded from any appropriate unit. The governor may upon the unanimous written request of exclusive representatives of units and the commissioner direct that negotiations be conducted for one or more units in a common proceeding or that supplemental negotiations be conducted for portions of a unit or units defined on the basis of appointing authority or geography.

Sec. 139. [REENACTMENT.]

Subdivision 1. Laws 1980, Chapter 556, Sections 6 to 13, are reenacted.

Subd. 2. All acts authorized by and complying with Laws 1980, Chapter 556, Sections 6 to 13, are legal and valid.

Sec. 140. [TRANSITION AND VALIDATION; WORKERS' COMPEN-

SATION COURT OF APPEALS.]

Subdivision 1. [PURPOSE.] It is the purpose and intent of the legislature to constitute the workers' compensation court of appeals as an independent agency of the state and this act is not intended to affect any substantive rights beyond the extent necessary to accomplish said purpose. Any rules, decisions or other actions under chapter 175 and chapter 176 prior to the effective date of this section shall continue in full force and effect unless this act expressly provides otherwise. Matters currently before the workers' compensation court of appeals shall not be affected by the provisions of this act.

Subd. 2. [PERSONNEL.] All personnel appointed by the commissioner of labor and industry to perform full time duties for the workers' compensation court of appeals are transferred to the workers' compensation court of appeals. The transfer shall not affect any other term or condition of the transferred employee's employment.

Sec. 141. [TRANSITION; COMPENSATION JUDGES.]

Subdivision 1. [PURPOSE.] It is the purpose and intent of this act to transfer the compensation judges, except for the three settlement judges and their support staff, but including other hearing reporters, and other judicial support staff in the workers' compensation division of the department of labor and industry, to the office of administrative hearings as a separate unit in order to provide for a completely objective hearing process with regard to workers' compensation matters. The offices of the transferred compensation judges shall be physically located in a building separate from the offices of the department of labor and industry.

Notwithstanding the provisions of any law to the contrary, the provisions of this act shall not be construed to require that hearings in workers' compensation matters be subject to the contested case procedures of sections 15.041 to 15.052. Any provision of chapter 176 which would conflict with the provisions of this act with regard to the hearing procedures to be followed in workers' compensation matters are subordinate to the provisions of this act.

Subd. 2. [PERSONNEL, EQUIPMENT.] All personnel appointed by the commissioner to perform full time duties as compensation judges, hearing reporters or in support of the functions of the compensation judges, except for the settlement judge or judges, their hearing reporters and support staff, are transferred to the office of administrative hearings. No employee transferred pursuant to this section shall suffer a diminution of total compensation by reason of such transfer.

All equipment and supplies used solely by the transferred personnel in the performance of their duties are transferred to the office of administrative hearings.

Subd. 3. [COOPERATION.] Beginning on the effective date of this act, the commissioner, the commissioner of administration and the chief hearing examiner shall cooperate in assuring a smooth transfer of the compensation judges and related personnel and equipment and supplies as provided in this act.

Subd. 4. [EFFECTIVE DATE.] The transfers required under this section are effective on July 1, 1981. The physical relocation of the offices of the

compensation judges shall be accomplished by no later than January 1, 1982.

Sec. 142. [RATE REDUCTION.]

Subdivision 1. [AMOUNT.] Within 15 days following the date of final enactment the commissioner of insurance shall make a final determination as to the impact of the provisions of this act on the schedule of rates which will be in effect on June 2, 1981. The commissioner shall then issue an order, pursuant to the authority granted in section 11, reducing the schedule of rates and making other necessary changes to that schedule to reflect the actual savings which will result from this act. The reduction shall be equal to or greater than the sum of the following factors:

(a) a reduction of 20.9 percent as a reflection of the impact of section 12;

(b) a reduction of 15 percent as a reflection of the impact of changes in the benefits payable pursuant to chapter 176 and in the administration and operation of the Minnesota workers' compensation system provided by this act.

Subd. 2. [EXCEPTION.] The commissioner may reduce any of the changes in the schedule of rates required in subdivision 1, clause (a), if he finds that a previous rate order issued pursuant to section 79.071 has already incorporated the required reductions.

Sec. 143. [SEVERABILITY.]

If any provision of this act is found to be unconstitutional and void, the remaining provisions of the act shall remain valid, unless the court finds the valid provisions of the act are so essentially and inseparably connected with, and so dependent upon, the void provisions that the court cannot presume the legislature would have enacted the remaining valid provisions without the void one; or unless the court finds the remaining valid provisions, standing alone, are incomplete and are incapable of being executed in accordance with the legislative intent.

Sec. 144. [APPROPRIATIONS.]

Subdivision 1. The sum of \$150,000 is appropriated from the general fund to the legislative coordinating commission for the purpose of conducting, in cooperation with the commissioner of insurance, a thorough study of the flow of all premium dollars paid to workers' compensation insurers in the state of Minnesota, including a closed compensation claim survey and an examination of insurer reserving practices, and the studies required under section 87. A report shall be made to the legislature by January 15, 1982.

Subd. 2. There is appropriated to the workers' compensation court of appeals for the fiscal years ending June 30 of the year indicated from the general fund in the state treasury:

1982	1983
\$15,970	\$15,970

Subd. 3. There is appropriated from the general fund to the commissioner of labor and industry for the fiscal year indicated for the purpose of hiring six additional support personnel and ancillary expenses needed in conjunction with the departmental improvements provided in section 96; and for the purpose of hiring four additional rehabilitation personnel.

1982	1983
\$246,200	\$246,200

Additional approved complement - 6

Subd. 4. The sum of \$5,000 is appropriated from the general fund to the workers' compensation court of appeals for the purpose of conducting the study provided for in section 89, subdivision 7.

Subd. 5. [UNEXPENDED AND TRANSFERRED FUNDS.] Any appropriation to the department of labor and industry for the purposes of any of its functions, powers, or duties which are transferred by this act to the workers' compensation court of appeals or the office of administrative hearings is hereby transferred to the workers' compensation court of appeals or the office of administrative hearings, allocated to each agency or department in appropriate amounts as determined by the commissioner of finance. When the functions, powers and duties that are affected by this act are the responsibility of the department of labor and industry and another department or agency, the commissioner of finance shall allocate any appropriation to the department or agency between the department of labor and industry and the other departments or agencies affected, as may be appropriate.

The unexpended balance of any appropriation to the department of labor and industry for the purposes of any of its functions, powers, or duties which are transferred by this act to the workers' compensation court of appeals or the office of administrative hearings are hereby transferred to the workers' compensation court of appeals and the office of administrative hearings, allocated to each agency or department in appropriate amounts as determined by the commissioner of finance. When the functions, powers and duties that are affected by this act are the responsibility of the department of labor and industry and another department or agency, the commissioner of finance shall allocate any unexpended appropriation to the department or agency between the department of labor and industry and the other departments or agencies affected, as may be appropriate.

Subd. 6. There is appropriated from the general fund to the commissioner of insurance for the fiscal year indicated for the purpose of hiring two additional personnel to assist in the discharge of his responsibilities under sections 9 to 37, 87, 142, and 144:

1982	1983
\$51,300	\$49,100

Additional approved complement - 2.

Subd. 7. The following sums are appropriated from the general fund in the fiscal years indicated for the purposes of implementing the computerization of the records and information system of the department of labor and industry. The appropriations in this section shall be expended with the approval of the governor after consultation with the legislative advisory commission pursuant to section 3.30. The commissioner of insurance in consultation with the commissioners of labor and industry and of administration, shall propose a plan for implementation of this computerization no later than August 1, 1981. The commissioner of insurance shall consider use of the system evaluation and development methodology developed by the commissioner of administration pursuant to section 16.955, but this project is not subject to the requirements of that section. The installation and operation of computer equipment shall com-

mence by October 1, 1981 and be completed by January 1, 1981.

1982	1983
\$450,000	\$100,000

Subd. 8. There is appropriated from the general fund to the chief hearing examiner for the fiscal years indicated the following sums for the purpose of funding the salary increase for compensation judges provided in section 7:

1982	1983
\$68,970	\$68,970

Subd. 9. The sum of \$90,000 is appropriated from the general fund to the chief hearing examiner for the purposes of section 141.

Sec. 145. [REPEALER.]

Minnesota Statutes 1980, Sections 79.071, Subdivision 1; 79.074, Subdivision 1; 79.075; 79.076; 79.08; 79.09; 79.11; 79.12; 79.13; 79.14; 79.15; 79.16; 79.17; 79.171; 79.18; 79.19; 79.20; 79.21; 79.22, Subdivision 1; 79.221; 79.23; 79.24; 79.25; 79.26; 79.27; 79.28; 79.29; 79.30; 79.31; 79.32; and 79.33 are repealed effective July 1, 1983. Minnesota Statutes 1980, Sections 79.071, Subdivisions 2, 3, 4, 5, 6, and 7; 79.072; and 79.073 are repealed effective January 1, 1986. Minnesota Statutes 1980, Sections 175.006, Subdivisions 1a and 2; 175.0061; 175.09; 176.111, Subdivision 11; and 176.441, Subdivision 2, are repealed.

Sec. 146. [EFFECTIVE DATE.]

Sections 11, 21, 22, 23, 35, 36, 37, 38, 53, 54, 141, and 142 are effective the day following final enactment. Sections 1 to 8, 12, 39 to 52, 55 to 95, 99 to 138, 140, and 143 to 145 are effective July 1, 1981. Sections 96 to 98 are effective October 1, 1981. Sections 9, 10, and 13 to 20 are effective January 1, 1982. Sections 24 to 34 are effective July 1, 1983. Section 139 is effective retroactively to April 12, 1980."

Delete the title and insert:

"A bill for an act relating to workers' compensation; expressing the intent of the legislature with respect to chapter 176; providing for transition to competitive workers' compensation insurance rates; transferring compensation judges from the workers' compensation division to a separate division within the office of administrative hearings; making the workers' compensation court of appeals a separate and independent agency with appellate review powers; providing for a discount assumption with respect to calculating reserves for claims of insurance companies; authorizing the commissioner of insurance to initiate a rate hearing; transferring responsibility for the assigned risk plan to the commissioner of insurance; creating an assigned risk plan review board; permitting benefit payment transferring certain provisions with respect to the Minnesota workers' compensation reinsurance association; redefining the maximum reinsurance liability limitation as a prefunded limit; modifying filing procedures; providing for a survey of closed compensation claims and an examination of insurer reserving practices; removing the exemption of political subdivisions from the definitions of insurer and insurance in chapter 79; providing for the design and implementation of an improved records and information system in the department of labor and industry; providing for the addition of rehabilitation and computer support personnel in the department of labor and industry;

permitting the commissioner of labor and industry to negotiate with his counterparts in other states in jurisdictional disputes; establishing a preponderance of the evidence standard in factual determinations under chapter 176; granting subrogation rights to the special compensation fund in third party actions; providing for lump sum permanent partial disability payments on return to work and weekly payments if an employee could but does not return to work; limiting attorneys' fees to only disputed portions of claims; providing a procedure for settlement offers by any litigant in a disputed claim proceeding; defining employee in certain situations; requiring claimants' attorneys to provide their clients with written information regarding fees under chapter 176; providing a penalty for attorneys who violate the fee provisions of chapter 176; providing a ten year limitation on death benefits to dependents; providing rehabilitation opportunities for dependent surviving spouses; requiring the commissioner of labor and industry to adopt disability degree schedules; prohibiting combined workers' compensation and government survivor benefits from exceeding the limit provided in chapter 176; providing a new formula for determining assessments against employers and insurers for the special compensation fund; providing for payment of attorneys' fees in disputes over supplementary benefits; requiring the commissioner of insurance to develop a medical fee schedule; requiring the commissioner to review the quality of care and other aspects of medical delivery under workers' compensation; establishing a pilot medical panel to resolve disputes over medical disability; providing for payment of wage replacement or disability payments by a group insurer under appropriate provisions pending resolution of liability dispute over compensability; providing for early payment of benefits and a penalty for delay; providing for an offset against welfare payments; requiring benefit payments to be made by immediately negotiable instrument; providing that notices of discontinuance of benefit payments be sent directly to claimant by insurer; delaying first benefit adjustment under chapter 176; mandating an insurance rate reduction by an amount reflecting cost savings due to benefit and administrative changes; providing penalties; changing procedures; creating and abolishing duties; appropriating money; amending Minnesota Statutes 1980, Sections 10A.01, Subdivision 18; 15.052, Subdivisions 1, 2, 3, 4 and 5; 15A.083, by adding a subdivision; 43.064; 60C.04; 60C.09, Subdivision 2; 79.01, Subdivisions 2 and 3; 79.071, Subdivision 1 and by adding subdivisions; 79.25; 79.26; 79.27; 79.34, Subdivisions 1 and 2; 79.35; 79.36; 175.007; 175.11, Subdivision 1; 175.14; 175.17; 176.011, Subdivisions 6 and 9; 176.021, Subdivisions 1 and 3, and by adding subdivisions; 176.041, by adding a subdivision; 176.061, Subdivisions 1, 3, 4, 5, 6 and 7; 176.081, Subdivisions 1, 2, 3, 4, 6, and by adding subdivisions; 176.101, Subdivision 3; 176.102, by adding a subdivision; 176.105, Subdivision 1; 176.111, Subdivisions 6, 7, 8, 10 and 21, and by adding a subdivision; 176.131, Subdivision 10; 176.132, Subdivision 2; 176.133; 176.136; 176.161, Subdivision 1; 176.181, Subdivisions 2 and 3, and by adding a subdivision; 176.191; 176.221; 176.225, by adding a subdivision; 176.231, Subdivisions 2 and 7; 176.241, Subdivisions 1, 2 and 3; 176.291; 176.301, Subdivision 1; 176.305; 176.311; 176.321, Subdivisions 1 and 3; 176.331; 176.341, Subdivision 1; 176.351; 176.371; 176.381; 176.391; 176.401; 176.411, Subdivisions 1 and 2; 176.421, Subdivisions 1, 4, 5, 6 and 7; 176.431, Subdivision 1; 176.441, Subdivision 1; 176.461; 176.471, Subdivisions 3, 5, 6 and 8; 176.491; 176.511, Subdivision 1; 176.521, Subdivisions 1 and 2; 176.531, Subdivision 3; 176.645; and 179.74, Subdivision 4; reenacting Laws 1980, Chapter 556, Sections 6 to 13; proposing new law coded as Minnesota Statutes, Chapter 175A; and proposing new law coded in Minnesota Statutes, Chapters 79 and 176; repealing Minnesota Statutes 1980, Sections 79.071, Subdivisions 1, 2,

3, 4, 5, 6, and 7; 79.072; 79.073; 79.074, Subdivision 1; 79.075; 79.076; 79.08; 79.09; 79.11; 79.12; 79.13; 79.14; 79.15; 79.16; 79.17; 79.171; 79.18; 79.19; 79.20; 79.21; 79.22, Subdivision 1; 79.221; 79.23; 79.24; 79.25; 79.26; 79.27; 79.28; 79.29; 79.30; 79.31; 79.32; 79.33; 175.006, Subdivisions 1a and 2; 175.0061; 175.09; 176.111, Subdivision 11; and 176.441, Subdivision 2."

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

Senate Conferees: (Signed) Collin C. Peterson, Florian Chmielewski, Donald M. Moe, Tom A. Nelson, Duane D. Benson

House Conferees: (Signed) Wayne A. Simoneau, James I. Rice, Joseph R. Begich, Fred C. Norton.

Mr. Peterson, C. C. moved that the foregoing recommendations and Conference Committee Report on S. F. No. 359 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. 359 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 55 and nays 7, as follows:

Those who voted in the affirmative were:

Benson	Frank	Lantry	Penny	Solon
Berg	Frederickson	Lessard	Peterson, C.C.	Spear
Berglin	Hanson	Lindgren	Peterson, D.L.	Stern
Bernhagen	Hughes	Luther	Petty	Stokowski
Bertram	Humphrey	Menning	Purfeerst	Stumpf
Brataas	Johnson	Merriam	Renneke	Taylor
Dahl	Knoll	Moe, D. M.	Rued	Tennessen
Davies	Knutson	Moe, R. D.	Schmitz	Ulland
Davis	Kroening	Nelson	Setzepfandt	Vega
Dicklich	Kronebusch	Olthoff	Sieloff	Waldorf
Dieterich	Langseth	Pehler	Sikorski	Willet

Those who voted in the negative were:

Ashbach	Engler	Kamrath	Pillsbury	Ramstad
Bang	Frederick			

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

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate revert to the Order of Business of Messages From the House. The motion prevailed.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce 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. 1126: A bill for an act relating to insurance; providing for continued health and accident coverage for former spouses and children after dissolution of the marriage in certain circumstances; amending Minnesota Statutes 1980, Section 62A.21, Subdivision 3, and by adding subdivisions; repealing Minnesota Statutes 1980, Section 62A.21, Subdivision 2.

Senate File No. 1126 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 15, 1981

CONCURRENCE AND REPASSAGE

Mr. Ulland moved that the Senate concur in the amendments by the House to S. F. No. 1126 and that the bill be placed on its repassage as amended. The motion prevailed.

S. F. No. 1126 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 53 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Dieterich	Kronebusch	Peterson, D.L.	Stern
Bang	Engler	Langseth	Peterson, R.W.	Stokowski
Benson	Frank	Lantry	Petty	Stumpf
Berg	Frederickson	Lessard	Pillsbury	Taylor
Bernhagen	Hanson	Lindgren	Ramstad	Tennessee
Bertram	Hughes	Merriam	Renneke	Ulland
Brataas	Johnson	Moe, D. M.	Rued	Vega
Dahl	Kamrath	Moe, R. D.	Schmitz	Waldorf
Davies	Knoll	Nelson	Setzepfandt	Wegener
Davis	Knutson	Olhoft	Solon	
Dicklich	Kroening	Penny	Spear	

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

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

S. F. No. 470: A bill for an act relating to the collection and dissemination of data; classifying data; proposing classifications of data as private, confidential nonpublic and protected nonpublic; making certain changes in laws relating to the collection and dissemination of data; amending Minnesota Statutes 1980, Sections 15.1611, Subdivision 2; 15.162, Subdivisions 1a, 2a, 5a, 5b, 5c, and 8; 15.163, Subdivision 4; 15.1642, Subdivision 2a; 15.165, Subdivision 3; 15.1672; 15.1673; 15.1692, Subdivision 3, and by adding a subdivision; 15.1693, by adding a subdivision; 15.1695, Subdivision 1; 15.1698, Subdivision 1; and 15.1699; providing for the recodification of Minnesota Statutes, Sections 15.1611 to 15.1699.

Senate File No. 470 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 15, 1981

CONCURRENCE AND REPASSAGE

Mr. Tennesen moved that the Senate concur in the amendments by the House to S. F. No. 470 and that the bill be placed on its repassage as amended. The motion prevailed.

S. F. No. 470: A bill for an act relating to the collection and dissemination of data; classifying data; proposing classifications of data as private, confidential nonpublic and protected nonpublic; making certain changes in laws relating to the collection and dissemination of data; amending Minnesota Statutes 1980, Sections 15.1611, Subdivision 2; 15.162, Subdivisions 1a, 2a, 5a, 5b, 5c, and 8; 15.163, Subdivision 4; 15.1642, Subdivision 2a; 15.165, Subdivision 3; 15.1672; 15.1673; 15.1692, Subdivision 3, and by adding a subdivision; 15.1693, by adding a subdivision; 15.1695, Subdivision 1; 15.1698, Subdivision 1; and 15.1699; providing for the recodification of Minnesota Statutes, Sections 15.1611 to 15.1699; repealing Minnesota Statutes 1980, Section 15.162, subdivision 1a.

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 54 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Dieterich	Lindgren	Peterson, R.W.	Stern
Bang	Engler	Luther	Petty	Stokowski
Benson	Frank	Menning	Pillsbury	Stumpf
Berg	Frederick	Merriam	Purfeerst	Taylor
Bernhagen	Frederickson	Moe, D. M.	Ramstad	Tennesen
Bertram	Hughes	Moe, R. D.	Renneke	Ulland
Brataas	Kamrath	Nelson	Rued	Vega
Dahl	Kroening	Olhoft	Schmitz	Waldorf
Davies	Kronebusch	Penny	Sieloff	Wegener
Davis	Lantry	Peterson, C.C.	Solon	Willet
Dicklich	Lessard	Peterson, D.L.	Spear	

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 refuses to concur in the Senate amendments to House File No. 3:

H. F. No. 3: A bill for an act relating to community social services; defining groups of persons for whom counties are responsible; establishing certain funding levels; clarifying sections of the community social services act; amending Minnesota Statutes 1980, Sections 245.64; 245.66; 245.84, Subdivisions 2 and 5; 252.21; 252.24, Subdivisions 1, 3 and 4; 252.27, Subdivisions 1 and 2; 254A.03, Subdivision 1; 254A.05, Subdivision 1; 254A.07, Subdivision 2; 254A.08, Subdivision 1; 256E.03, Subdivision 2; 256E.04,

Subdivision 1; 256E.05, Subdivisions 2 and 3; 256E.06, Subdivisions 1, 2, 4, and 5; 256E.07, Subdivision 2; 256E.08, Subdivisions 1, 7 and 9; 256E.09, Subdivisions 1, 3, and by adding a subdivision; 256E.10; and 256E.12, Subdivision 3; repealing Minnesota Statutes 1980, Sections 245.67; 245.68; 245.72; 252.26; 256E.06, Subdivision 11; and 261.27.

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

McCarron, Samuelson and Kaley have been appointed as such committee on the part of the House.

House File No. 3 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 16, 1981

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

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 445 and repassed said bill in accordance with the report of the Committee, so adopted.

S. F. No. 445: A bill for an act relating to courts; providing service periods on Hennepin and Ramsey County district courts, juvenile divisions or family division; authorizing appointment of district court judges to hear cases arising under the juvenile court or family court act for terms up to four years; amending Minnesota Statutes 1980, Sections 260.019, Subdivision 3; 484.64, Subdivision 1; and 484.65, Subdivisions 1 and 6.

Senate File No. 445 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 16, 1981

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. 660 and repassed said bill in accordance with the report of the Committee, so adopted.

S. F. No. 660: A bill for an act relating to counties; providing correct references to certain civil service procedures; amending Minnesota Statutes 1980, Sections 375.58, Subdivision 3; and 375.62.

Senate File No. 660 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 16, 1981

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. 690 and repassed said bill in accordance with the report of the Committee, so adopted.

S. F. No. 690: A bill for an act relating to retirement; contributions and benefits of judges and survivors under the uniform retirement and survivors' annuities law; amending Minnesota Statutes 1980, Section 490.124, Subdivisions 9 and 12.

Senate File No. 690 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 16, 1981

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. 1212 and repassed said bill in accordance with the report of the Committee, so adopted.

S. F. No. 1212: A bill for an act relating to municipalities; discontinuance of unprofitable municipal liquor stores; restricting expenditure of public funds for liquor store operation; publication of operating statement; amending Minnesota Statutes 1980, Section 340.353, by adding a subdivision; proposing new law coded in Minnesota Statutes, Chapters 426 and 471.

Senate File No. 1212 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 16, 1981

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 407 and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 407 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 16, 1981

CONFERENCE COMMITTEE REPORT ON H. F. NO. 407

A bill for an act relating to insurance; modifying the definition of a covered claim for purposes of the state's insurance guaranty association act; amending Minnesota Statutes 1980, Section 60C.09, Subdivision 1.

May 14, 1981

The Honorable Harry A. Sieben, Jr.
Speaker of the House of Representatives

The Honorable Jack Davies
President of the Senate

We, the undersigned conferees for H. F. No. 407, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H.F. No. 407 be further

amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1980, Section 60C.03, is amended by adding a subdivision to read:

Subd. 8. "Insolvent insurer" means an insurer licensed to transact insurance in this state, either at the time the policy was issued, or when the insured event occurred, and against whom an order of liquidation with a finding of insolvency has been entered after the effective date of this section by a court of competent jurisdiction, in the insurer's state of domicile or of this state, under the provisions of Minnesota Statutes, Chapter 60B, and which order of liquidation has not been stayed or been the subject of a writ of supersedeas or other comparable order.

Sec. 2. Minnesota Statutes 1980, Section 60C.09, Subdivision 1, is amended to read:

Subdivision 1. [DEFINITION.] A covered claim is any unpaid claim, including one for unearned premium, which:

(a) Arises out of and is within the coverage of an insurance policy issued by a member insurer if such insurer becomes an insolvent insurer after the effective date of this section;

(b) Arises out of a class of business which is not excepted from the scope of Laws 1971, Chapter 145 by section 60C.02; and

(c) Has been approved in the liquidation of the insurer issuing the policy, carried out under chapter 60B or under similar laws of another state or country; and

(d) (c) Is made by:

(i) A policyholder, or an insured beneficiary under a policy, who, at the time of the insured event, was a resident of this state; or

(ii) A person designated in the policy as having an insurable interest in or related to property situated in this state at the time of the insured event; or

(iii) An obligee or creditor under any surety bond, who, at the time of default by the principal debtor or obligor, was a resident of this state; or

(iv) A third party claimant under a liability policy or surety bond, if: (a) the insured or the third party claimant was a resident of this state at the time of the insured event; (b) the claim is for bodily or personal injuries suffered in this state by a person who when he suffered the injuries was a resident of this state; or (c) the claim is for damages to real property situated in this state at the time of damage; or

(v) A direct or indirect assignee of a person who except for the assignment might have claimed under (i), (ii) or (iii).

Sec. 3. Minnesota Statutes 1980, Section 60C.10, Subdivision 3, is amended to read:

Subd. 3. If the board finds that a claim for which the claimant has requested payment out of the fund is not a covered claim or the board reduces the amount of or rejects the award under subdivision 2 claim, the board shall notify the

claimant in writing of his rights under section 60C.12.

Sec. 4. [REPEALER.]

Minnesota Statutes 1980, Section 60C.10, Subdivision 2, is repealed."

Delete the title and insert:

"A bill for an act relating to insurance; modifying the definition of a covered claim for purposes of the state's insurance guaranty association act; defining an insolvent insurer; amending Minnesota Statutes 1980, Sections 60C.03, by adding a subdivision; 60C.09, Subdivision 1; and 60C.10, Subdivision 3; repealing Minnesota Statutes 1980, Section 60C.10, Subdivision 2."

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

House Conferees: (Signed) Ann Wynia, Robert L. Ellingson, John R. Kaley

Senate Conferees: (Signed) Irving M. Stern; Otto T. Bang, Jr.; Jack Davies

Mr. Stern moved that the foregoing recommendations and Conference Committee Report on H. F. No. 407 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H. F. No. 407 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

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

Those who voted in the affirmative were:

Bang	Dieterich	Lantry	Pillsbury	Stumpf
Benson	Engler	Lessard	Ramstad	Taylor
Berg	Frank	Lindgren	Renneke	Tennessen
Berglin	Frederick	Moe, D. M.	Rued	Ulland
Bernhagen	Frederickson	Moe, R. D.	Schmitz	Vega
Bertram	Hanson	Nelson	Setzepfandt	Waldorf
Brataas	Hughes	Olhoft	Sieloff	Wegener
Dahl	Kamrath	Penny	Sikorski	
Davies	Knutson	Peterson, D. L.	Spear	
Davis	Kroening	Peterson, R. W.	Stern	
Dicklich	Kronebusch	Petty	Stokowski	

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 691 and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 691 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 16, 1981

CONFERENCE COMMITTEE REPORT ON H. F. NO. 691

A bill for an act relating to court reporting; permitting the use of electronic recording equipment in certain district court proceedings; amending Minnesota Statutes 1980, Sections 486.02 and 486.03; and proposing new law coded in Minnesota Statutes, Chapter 484.

May 14, 1981

The Honorable Harry A. Sieben, Jr.
Speaker of the House of Representatives

The Honorable Jack Davies
President of the Senate

We, the undersigned conferees for H. F. No. 691, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H.F. No. 691 be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. [484.72] [ELECTRONIC RECORDING OF COURT PROCEEDINGS.]

Subdivision 1. [AUTHORIZATION.] Except as provided in subdivision 4, electronic recording equipment may be used to record court proceedings in lieu of a court reporter. However, at the request of any party to any proceedings, the court may, in its discretion, require a competent stenographer who meets minimum qualifications promulgated by the supreme court, to make a complete stenographic record of the proceedings.

Subd. 2. [APPOINTMENT OF OPERATOR, COSTS AND PAYMENT.] The court shall have the authority to appoint a person or persons to operate and monitor electronic recording equipment. The person or persons may be paid on a salary basis, on a contract basis, or such other basis as the court deems appropriate.

Subd. 3. [SPECIFICATION FOR ELECTRONIC RECORDING EQUIPMENT; QUALIFICATIONS FOR OPERATOR.] For the purpose of this section the state court administrator shall promulgate specifications for acceptable electronic recording equipment used to record court proceedings and minimum qualifications for the persons who operate and monitor the equipment.

Subd. 4. [LIMITATIONS ON USE OF ELECTRONIC RECORDING EQUIPMENT.] A competent stenographer who meets minimum qualifications promulgated by the supreme court, shall make a complete stenographic record of the following court proceedings:

(1) Felony and gross misdemeanor offenses, except arraignments and first appearance in district court as specified in rule 8 of the rules of criminal procedure.

(2) District court jury trials.

(3) Contested district court trials and fact-finding hearings. Where required by statute or court rule, electronic recording equipment may be used in addition to the services of a competent stenographer.

Subd. 5. [MALFUNCTION OF ELECTRONIC RECORDING.] If, when electronic recording equipment is used, a malfunction occurs in the recording process so that the recording is incomplete, the court may declare a mistrial if the malfunction is discovered during the trial. If the malfunction is discovered in the course of preparing a transcript after a verdict has been entered, the court may grant a new trial upon motion of any party.

Sec. 2. Minnesota Statutes 1980, Section 486.02, is amended to read:

486.02 [STENOGRAPHIC RECORD.]

Such reporter Except as provided in section 1, a competent stenographer who meets minimum qualifications promulgated by the supreme court, shall make a complete stenographic record of all testimony given and all proceedings had before the judge upon the trial of issues of fact, with or without a jury, or before any referee appointed by such judge. In so doing he shall take down all questions in the exact language thereof, and all answers thereto precisely as given by the witness or by the sworn interpreter. He shall also record, verbatim, all objections made, and the grounds thereof as stated by counsel, all rulings thereon, all exceptions taken, all motions, orders, and admissions made and the charge to the jury. When directed so to do by the judge, he shall make a like record of any other matter or proceeding, and shall read to such judge or referee any record made by him, or transcribe the same, without charge, for any purpose in furtherance of justice.

Sec. 3. Minnesota Statutes 1980, Section 486.03, is amended to read:

486.03 [FURNISH TRANSCRIPT; FILE RECORD.]

As soon as the trial is ended the reporter or operator of electronic recording equipment shall file his stenographic report, or tape recording, thereof with the clerk, or elsewhere, if the judge shall so direct; and, upon request of any person interested and payment or tender of his fees therefor, he shall furnish a transcript of such record in the words and figures represented by the characters used in making the same and for that purpose he may take and retain such record so long as may be necessary, when it shall be returned to the files.

Sec. 4. Minnesota Statutes 1980, Section 484.545, Subdivision 2, is amended to read:

Subd. 2. The judges, by order filed with the county auditors on or before the first Monday in August, 1975, and annually on or before the first Monday in January thereafter shall fix and establish the salary of each law clerk not to exceed \$15,000 per year without the approval of the county board of each of the counties involved, and shall apportion the total salaries paid among the several counties to which the judges are assigned, according to the population of each county. Notwithstanding any law to the contrary, in all judicial districts, except the fourth judicial district, a salary range for law clerks shall be established annually by the judicial district administrator with the approval of a majority of judges of the district. The salary for each law clerk shall be set within that range annually by the district administrator after consultation with the chief judge.

Nothing herein shall change the manner by which law clerk salaries are paid, the proportions among the various counties of a judicial district by which the funds are allocated or any statutory provision related to law clerk compen-

sation other than the manner of setting salary. Each county shall be required by the order to pay a specified amount thereof in monthly installments which shall be such proportion of the whole salaries as the population of the county is to the total population of the counties to which the judge is assigned as determined by the last census.

Sec. 5. Minnesota Statutes 1980, Section 484.545, is amended by adding a subdivision to read:

Subd. 4. All law clerks in every judicial district, shall serve without tenure at the pleasure of the appointing judge or judges.

Sec. 6. [EFFECTIVE DATE.]

Section 1, subdivisions 3 and 4 are effective the day after final enactment. Section 1, subdivisions 1, 2 and 5, and sections 2 and 3 are effective upon promulgation of the specifications and qualifications as provided in section 1, subdivision 3."

Delete the title and insert:

"A bill for an act relating to courts; permitting the use of electronic recording equipment in certain district court proceedings; permitting all judicial districts except Hennepin county to set salaries of law clerks; clarifying that all law clerks are unclassified employees and without tenure; amending Minnesota Statutes 1980, Sections 484.545, Subdivision 2, and by adding a subdivision; 486.02 and 486.03; and proposing new law coded in Minnesota Statutes, Chapter 484."

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

House Conferees: (Signed) Kenneth P. Zubay, Tad Jude, Richard M. O'Connor

Senate Conferees: (Signed) Nancy Brataas, Gene Merriam, Bob Lessard

Mrs. Brataas moved that the foregoing recommendations and Conference Committee Report on H. F. No. 691 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H. F. No. 691 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 34 and nays 19, as follows:

Those who voted in the affirmative were:

Bang	Davies	Langseth	Peterson, D. L.	Spear
Benson	Engler	Lantry	Pillsbury	Stumpf
Berg	Frederick	Lessard	Renneke	Taylor
Bernhagen	Frederickson	Lindgren	Rued	Tennessen
Bertram	Hanson	Merriam	Schmitz	Waldorf
Brataas	Kamrath	Nelson	Setzepfandt	Wegener
Dahl	Knutson	Olhoff	Sieloff	

Those who voted in the negative were:

Berglin	Frank	Kroening	Peterson, R. W.	Stern
Davis	Hughes	Kronebusch	Petty	Stokowski
Dicklich	Humphrey	Moe, D. M.	Ramstad	Vega
Dieterich	Knoll	Penny	Sikorski	

So the bill, as amended by the Conference Committee, was repassed and its

title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 487 and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 487 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 16, 1981

CONFERENCE COMMITTEE REPORT ON H. F. NO. 487

A bill for an act relating to the capitol area architectural and planning board; providing for disposition of tax-forfeited property within the capitol area; amending Minnesota Statutes 1980, Section 15.50, Subdivision 6.

May 15, 1981

The Honorable Harry A. Sieben, Jr.
Speaker of the House of Representatives

The Honorable Jack Davies
President of the Senate

We, the undersigned conferees for H. F. No. 487, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H.F. No. 487 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Laws 1974, Chapter 435, Section 3.02, Subdivision 2, as amended by Laws 1978, Chapter 745, Section 1, is amended to read:

Subd. 2. [APPOINTMENT OF CIVIL SERVICE COMMISSION, TERMS.]

(a) The board of county commissioners of Ramsey county shall by majority vote, appoint three persons as the first members of a civil service commission to serve for terms of two, four and six years. *On or before August 1, 1981, the board shall appoint two additional members to serve on the civil service commission, making a total of five commission members. One new member shall serve for a term of five years and the other for three.* As the term of each commissioner expires, the board of county commissioners shall fill the vacancy for a term of six years.

(b) No person may act as a member of the civil service commission while holding a public office, or while holding office in a political party *above the state legislative district level*, nor for two years after having held this kind of public or political office.

(c) Each member of the commission must be a resident of the county.

(d) The board of county commissioners shall fill a vacancy occurring within

a term for the unexpired portion of the term.

(e) Each commissioner shall hold office until his successor has been appointed and has qualified.

(f) The commission shall organize by electing one of its members as chairman and one as secretary. The commission shall hold regular meetings at least once a month and may hold the additional meetings that may be necessary to discharge the duties of the commission. Twenty-four hours notice of special meetings shall be given members.

Sec. 2. Laws 1974, Chapter 435, Section 3.02, Subdivision 6, as amended by Laws 1978, Chapter 745, Section 1, Laws 1979, Chapter 313, Section 2, and Laws 1981, Chapter 52, Section 1, is amended to read:

Subd. 6. [CLASSIFICATION OF SERVICE.]

(a) [DEFINITION OF COVERAGE.] The officers and employees of Ramsey County and of a county or joint county and city agency, board, commission or committee supported in whole or in part by taxation upon the taxable property of the county, or appointed by the judges of the district court or probate court for the county, or by a board or agency composed of representatives of the county and a city in the county and employees employed in hospitals, preventoria, county nursing homes, and the welfare department are divided into the unclassified and classified service.

(b) [UNCLASSIFIED SERVICE.] The unclassified service comprises:

(1) An officer elected by popular vote or a person appointed to fill a vacancy in such an office.

(2) The head or principal administrative officer of a separate department or agency created by law, the director of the welfare department.

(3) A chief deputy or principal assistant for each elected public official and for the county engineer and veterans' service officer.

(4) Each doctor, intern, student nurse and intern dietician employed by the county or a county agency.

(5) Each member of the teaching staff, supervisor and principal in the employ of the county, actually engaged in teaching or the supervision of teaching.

(6) A member of a board or commission appointed by the county, or the county and the city, or acting in an advisory capacity.

(7) A weed inspector, election judge, election clerk or other employee employed by the county for a limited period of time.

(8) A special police officer or special deputy sheriff serving without pay.

(9) A judge, court administrator, court reporter, receiver, referee, examiner or assistant examiner of titles, public defender, arbiter, juror, clerk of probate court or a person appointed by the district or probate courts to make or conduct a special inquiry of a judicial and temporary character.

(10) The director of court services and three principal assistants or division supervisors.

(11) The employees of the municipal court of Ramsey County and the

judicial district administrator's office.

(12) The principal administrative officer of the detention and corrections department, his first assistant, the superintendant of each departmental facility and his first assistant or chief deputy.

(13) The chief executive officer of St. Paul-Ramsey Hospital and seven principal assistants.

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

(15) The Ramsey County sheriff, his chief deputy, ~~two~~ three principal assistants and a personal secretary.

(16) The Ramsey County attorney, his first assistant, one principal assistant, and a personal secretary.

(c) [CLASSIFIED SERVICE.] (1) The classified service includes all other offices or employments in the county and county agencies, and all officers and employees not expressly placed in the unclassified service.

(2) Each employee in the classified service is placed in a graded division except an employee whose position is in a certified bargaining unit as defined under the public employment labor relations act and an employee in an ungraded division established by the county board. The ungraded division, if one is established, includes each employee in a construction trade who is engaged in the work of repair, alteration or construction of buildings for which trade there is a generally established and recognized scale of wages inside the county.

(3) (A) The superintendent and assistant superintendent of the Ramsey County nursing home are in the classified service.

(B) The provisions of Minnesota Statutes, Section 393.07, Subdivision 5, are hereby superseded insofar as they may be inconsistent with this section.

Sec. 3. Laws 1974, Chapter 435, Section 3.11, is amended to read:

Sec. 3.11. [ABSTRACT CLERK.]

(a) ~~Subdivision 1.~~ [TERM.] In Ramsey county an abstract clerk shall be elected at the general election for county officers and his term of office is for four years and until his successor is elected and qualified.

(b) ~~Subd. 2.~~ [DUTIES.] (1) The abstract clerk of Ramsey county has the sole and exclusive power, and it is his official duty to make out all official abstracts of title affecting real property inside the county, as an official thereof, and the register of deeds shall have no power or authority in the premises whatsoever.

(2) The duties of the Ramsey county abstract clerk do not impair the power of any private person, company or corporation to make out abstracts of title as provided by the general laws of this state.

(c) ~~Subd. 3.~~ [DUTIES AND FEES.] (1) ~~(A)~~ The records and indices in the office of county abstract clerk are public records, open to inspection, but only to the extent in this ~~subsection~~ section provided.

(B) *Subd. 4.* Each record, index, abstract, copy, plat, bookkeeping record, or paper of any type whatsoever, prepared in the office, is the property of the county for the use of the county abstract clerk and his successors in office, and, at the end of the term of an abstract clerk, shall be turned over to his successor in office.

(C) *Subd. 5.* The county abstract clerk shall permit, without fee and within reasonable business hours as not to interfere with the conduct of the work of the office, and under supervision to assure the safety of the records, inspection of the tract index as hereinafter defined, by a party interested in the ownership of a particular parcel of land, or his agent or attorney. There is no right on the part of anyone to make general or indiscriminate searches of the records or to copy a part thereof to make abstracts of title or abstract books or in any manner to deprive the abstract clerk of the fees provided by law for his official duties.

(D) *Subd. 6.* Whoever destroys, attempts to destroy, deface, or alter any record in the office of the county abstract clerk is guilty of a gross misdemeanor.

(2) (A) *Subd. 7.* The county abstract clerk shall maintain, current as of 8 o'clock a.m. each business day, abstract indices to the land of the county, including a tract and miscellaneous system of indices, correctly indexing each instrument filed of record in the office of the register of deeds in the county which in any manner affects the title to real property inside the county. He shall maintain currently correct as of each day, indices to all judgments in any court which are a lien on real property inside the county and all federal tax liens. He shall maintain the other and further abstract records and indices that the board of county commissioners of the county directs.

(B) *Subd. 8.* The county abstract clerk shall furnish, within ten days, upon demand of anyone and proffer of his fees, a complete, true and perfect abstract of title to a parcel of land in the county.

(C) *Subd. 9.* The county abstract clerk shall, without fee and within reasonable hours as not to interfere with the conduct of his office and under reasonable supervision to assure the safety of the public records, permit the use of records in the office by duly authorized representatives of other state, county, municipal or federal governmental agencies for public purposes.

(D) *Subd. 10.* The county abstract clerk shall furnish to anyone, within 48 hours of demand, and without fee, an oral report of the apparent ownership and apparent unsatisfied encumbrance as to a parcel of land inside the county, but he shall not be responsible under the bond herein required, for the correctness of a report furnished without fee.

(E) *Subd. 11.* The county abstract clerk shall not be required, without demand and proffer of fees as herein set forth, to furnish a report of personal judgments in a court against a person, firm or corporation.

(F) *Subd. 12.* The county abstract clerk and his deputies and employees shall not be permitted to practice law, or demand or receive a fee for an opinion as to the condition of the title to a parcel of real estate, save as to reports of the apparent record ownership, nor to prepare or execute papers incident to the transfer of title to real property or in any manner act as advisor or counsellor at law or as agent for the sale of real property or in any manner assume the function of lawyer, real estate broker or advisor.

~~(G)~~ Subd. 13. The county abstract clerk may appoint a deputy county abstract clerk to act in his stead and behalf, and for whose acts the county abstract clerk is responsible.

~~(3)~~ Subd. 14. The board of county commissioners in Ramsey county shall appoint each year a committee to inspect the records and the conduct of the office of the county abstract clerk, the committee to consist of an accountant representing the office of the county auditor, a representative of the county attorney's office and one member of the board, each of whom will serve without further compensation than provided by law for their respective positions. The committee shall inspect the records of the office of county abstract clerk at least once each year and report to the board of county commissioners on the fees collected, the public service rendered, the condition of the public records therein contained and the general conduct of the office. *The committee shall before January 1, 1982 complete a comprehensive audit of the records of the office of the abstract clerk for calendar years 1980 and 1981.* The county abstract clerk shall permit the committee to inspect each record of whatsoever nature having to do with his conduct of the office upon demand at any time.

~~(4)~~ Subd. 15. The county abstract clerk ~~may~~ shall charge, collect and retain for ~~his own~~ the use of the county, fees for his services ~~to which shall be set by the county board. If the county board does not set the fees to be charged, the county abstract clerk may set the fees~~ The county board shall also set the compensation of the abstract clerk, the deputy and employees and appropriately incorporate them into the Ramsey county civil service system.

~~(5)~~ Subd. 16. Before the county abstract clerk enters upon his duties, he shall give bond to the county, at county expense, in the penal sum of \$5,000, to be approved by the county board, conditioned that he will faithfully discharge the duties of his office, and shall give bond to the public, in the penal sum of \$10,000, at his own expense, to be approved by the county board, conditioned that he shall pay all damages suffered by anyone through any error deficiency in any abstract of title or registered property report issued by his office.

~~(6)~~ Subd. 17. The board of county commissioners of Ramsey county shall fill each vacancy in the office of county abstract clerk, for whatever cause, by appointment. The person so appointed shall give the bond and take the oath required by law, and shall hold for the remainder of the unexpired term, and until his successor qualifies.

Subd. 18. The office of county abstract clerk is an agency of Ramsey county for the purposes of the Ramsey county civil service statute and the public employment labor relations act and for all other purposes provided by law.

Sec. 4. Laws 1980, Chapter 612, Section 3, is amended to read:

Sec. 3. [SAINT PAUL AND MINNEAPOLIS, ~~CITY~~ CITIES OF; EMPLOYMENT OF UNIVERSITY OR COLLEGE STUDENTS.]

Notwithstanding any contrary provision of the Saint Paul city charter ~~and the Minneapolis city charter or~~, a statute, including the veterans preference act, or a civil service rule or regulation, the governing body or any board or commission of the city of Saint Paul ~~and the city of Minneapolis~~ having authority to hire employees may employ university, college, or professional school students pursuant to an intern or other training program ~~related to their academic endeavors~~ when the program is sponsored or substantially financed

by the state or the United States or by a philanthropic foundation or organization. Persons hired under a program shall be in the unclassified service of the city and serve at the pleasure of the body employing them. No full time appointment under this section shall exceed one year. Persons employed under this section shall be excluded from the provisions of Minnesota Statutes, Sections 268.03 to 268.24.

Sec. 5. Minnesota Statutes 1980, Section 15.50, Subdivision 6, is amended to read:

Subd. 6. (a) The city of Saint Paul shall have the power to convey without compensation therefor to the state any property owned by it within the boundaries of the capitol area pursuant to the plan adopted by the board; and the state shall have the authority to transfer to the city of Saint Paul without compensation any property acquired by it for the purposes of Laws 1969, Chapter 1150, which lies within the street lines of the streets to be established as a part of the city's portion of said plan.

(b) The tax-forfeited lands which are held by the state in trust for the several taxing subdivisions of the state and which are within the boundaries of the capitol area as fixed by the plan recommended to the governor by the governor's advisory committee or by the plan adopted by the board as provided in Laws 1969, Chapter 1150, shall not, *except as provided in this subdivision*, be subject to sale or repurchase under any act, now in effect or hereafter enacted unless it shall be expressly provided in such act that the provisions of Laws 1969, Chapter 1150, shall be superseded, modified or repealed.

The following procedure shall be used with respect to the tax-forfeited lands within the boundaries of the capitol area:

(1) *When the state gains custody of the tax-forfeited lands in the capitol area which are to be held in trust for taxing subdivisions of the state, the Ramsey county board of commissioners shall compile a list of these lands after the fee ownership has been recorded in the county recorder's office and submit the list to the board. The list shall include a property description of the tax-forfeited parcel and a listing of the buildings or structures thereon.*

(2) *Within 90 calendar days after receipt of the Ramsey county board of commissioners' list, the board, at its discretion, may: (i) direct the commissioner of revenue to release the tax-forfeited parcel from the trust for the taxing subdivision of the state, which action shall vest unencumbered title to the property in the name of the state; or (ii) authorize the parcel to be disposed of pursuant to chapter 282, provided that the parcel be thereafter utilized in accord with a portion or all of the standards, policies or guidelines in the board's comprehensive use plan.*

(3) *If the board fails to act within the prescribed 90-day period, the tax-forfeited parcel's disposition shall be governed by chapter 282.*

(4) *Unless and until the commissioner of revenue releases a tax-forfeited parcel from the trust for the taxing subdivision and during the aforementioned 90-day waiting period, the Ramsey county board of commissioners is authorized to maintain the parcel to minimize risks to persons and property contiguous to the parcel. If the parcel is conveyed from the trust to the state, the commissioner of administration shall assume these maintenance responsibilities.*

(d) The commissioner of revenue shall ~~have power~~, upon application by the board ~~to~~, release any lands referred to in clause (b) from the trust in favor of the taxing subdivisions of the state. Upon the execution of such release, the commissioner shall certify the fact of such release to the county auditor of Ramsey county. The forms of such release and certificate shall be prescribed by the attorney general.

(e) Neither any member of the board, nor any person employed or retained by the board shall have any financial interest, direct or indirect, in any business enterprise or activity, or in the construction or maintenance of facilities for such enterprise or activity, within the capitol area for which approval of the board is in any way required by law. Any person violating the provisions of this paragraph shall be guilty of a gross misdemeanor.

Sec. 6. Minnesota Statutes 1980, Section 140.21, is amended to read:

140.21 [LIBRARY FEE.]

Subdivision 1. The clerk of the district court of the second judicial district *and the clerk of the probate court of the second judicial district* shall collect a law library fee from each plaintiff and person commencing a civil action in district court *or commencing a proceeding in probate court*, at the time of the filing of the first paper and in the manner in which other fees are collected and in addition thereto, and shall collect a law library fee from each defendant and each other adverse or intervening party, when his appearance is entered in the action or when the first paper on his part is filed.

Subd. 2. The law library trustees shall, with the approval of the Ramsey county board of commissioners, set the amount of the library fee.

Subd. 3. The law library fee is a cost in the action and taxable as such, and is to be allotted for the support of the library.

Sec. 7. Minnesota Statutes 1980, Section 488A.20, Subdivision 4, is amended to read:

Subd. 4. [DISPOSITION OF FINES, FEES AND OTHER MONEYS; ACCOUNTS.] (a) Except as otherwise provided herein and except as otherwise provided by law, the administrator shall pay to the Ramsey county treasurer all fines and penalties collected by him, all fees collected by him for services of himself, all sums forfeited to the court as hereinafter provided, and all other moneys received by the administrator.

(b) The administrator of court shall for each fine or penalty, provide the county treasurer with the name of the municipality or other subdivision of government where the offense was committed and the total amount of the fines or penalties collected for each such municipality or other subdivision of government.

(c) The state of Minnesota and any governmental subdivision within the jurisdictional area of the municipal court herein established may present cases for hearing before said municipal court. In the event ~~that~~ the court takes jurisdiction of a prosecution for the violation of a statute or ordinance by *the state or a governmental subdivision other than a city or town in Ramsey county*, all fines, penalties and forfeitures collected shall be paid over to the county treasurer except where a different disposition is provided by law, *and the following fees shall be taxed to the state or governmental subdivision other*

than a city or town within Ramsey County which would be entitled to payment of the fines, forfeitures or penalties in any case, and shall be paid to the administrator of the court for disposing of the matter. The administrator shall deduct the fees from any fine collected for the state of Minnesota or a governmental subdivision other than a city or town within Ramsey County and transmit the balance in accordance with the law, and the deduction of the total of the fees each month from the total of all the fines collected is hereby expressly made an appropriation of funds for payment of the fees:

(1) In all cases where the defendant is brought into court and pleads guilty and is sentenced, or the matter is otherwise disposed of without a trial.....\$5

(2) In arraignments where the defendant waives a preliminary examination.....\$10

(3) In all other cases where the defendant stands trial or has a preliminary examination by the court.....\$15

(4) The court shall have the authority to waive the collection of fees in any particular case.

(d) At the beginning of the first day of any month, the amount in the hands of the administrator which is owing to any municipality or county shall not exceed \$5,000.

(e) On or before the last day of each month, the county treasurer shall pay over to the treasurer of each municipality or subdivision of government in Ramsey county one-half of all fines or penalties collected during the previous month from those imposed for offenses committed within such municipality or subdivision of government in violation of a statute, an ordinance, charter provision, rule or regulation of a city. All other fines and forfeitures and all fees and costs collected by the county municipal court shall be paid to the treasurer of Ramsey county who shall dispense the same as provided by law.

(f) Amounts represented by checks issued by the administrator or received by the administrator which have not cleared by the end of the month may be shown on the monthly account as having been paid or received, subject to adjustment on later monthly accounts.

(g) The administrator may receive negotiable instruments in payment of fines, penalties, fees, or other obligations as conditional payments, and is not held accountable therefor but if collection in cash is made and then only to the extent of the net collection after deduction of the necessary expense of collection.

Sec. 8. Minnesota Statutes 1980, Section 488A.23, Subdivision 6, is amended to read:

Subd. 6. [EXEMPTIONS FROM FEES; NO TRIAL FEES.] No filing fees, trial fees or fees for other services are payable by the ~~state, county or city~~.

Sec. 9. Minnesota Statutes 1980, Section 488A.30, Subdivision 1, is amended to read:

Subdivision 1. [JUDGES.] (a) The judges of the municipal court shall serve as judges of the conciliation court for such periods and in such rotation as the judges may determine. While so serving they shall act and be known as conciliation judges.

(b) The municipal judge who conducts the conciliation court hearing shall act upon any applications to vacate a judgment or an order for judgment whatever the grounds may be and shall sign the certificate upon a removed cause, but any other municipal judge may act upon such an application or sign such a certificate in the event that the judge who conducted the hearing has not previously denied the application and cannot act upon the application promptly or sign the certificate due to expiration of his term, death, disability, absence from the courthouse or any other cause.

(c) A majority of the judges of the municipal court may appoint attorneys to act as referees in conciliation court. A majority of the judges of the municipal court shall establish qualifications for the office, specify the duties and length of service of such referees, ~~and. The board of Ramsey county commissioners is authorized to fix the compensation not to of such referees. The compensation shall not exceed \$50 \$75 per day or any part thereof.~~ This compensation is payable out of the county treasury at the same time and in the same manner as salaries of the judges of conciliation court.

Sec. 10. Minnesota Statutes 1980, Section 488A.31, Subdivision 1, is amended to read:

Subdivision 1. [FILING FEE.] An action is commenced against each defendant when the complaint is filed with the administrator of conciliation court and a filing fee of ~~\$3~~ *set by the board of Ramsey County commissioners* is paid to the administrator or the prescribed affidavit in lieu of filing fee is filed. *No filing fee is payable by the county.*

Sec. 11. Minnesota Statutes 1980, Section 488A.31, Subdivision 5, is amended to read:

Subd. 5. [COUNTERCLAIM.] (a) The defendant may interpose as a counterclaim any claim within the jurisdiction of the court which he has against the plaintiff whether or not arising out of the transaction or occurrence which is the subject matter of the plaintiff's claim.

(b) The counterclaim shall be interposed by filing with the administrator a brief statement of the amount, date of accrual and nature of the counterclaim, verified by the defendant, his attorney or agent, and paying a ~~filing fee of \$3~~ *the filing fee set by the board of Ramsey County commissioners* to the administrator. The administrator shall draw up the counterclaim on request. *No filing fee is payable by the county.*

(c) The administrator shall note the filing of the counterclaim on the original claim, promptly notify the plaintiff by mail of the filing and set the counterclaim for hearing on the same date as the original claim.

(d) The counterclaim shall be filed not less than five days before the date set for court hearing. The judge, in his discretion, may thereafter allow the filing of a written or oral counterclaim before or after hearing the merits of the claim and counterclaim. The judge, in his discretion, may require the payment of absolute or conditional costs up to ~~\$25~~ *\$50* by the defendant to the plaintiff as a condition of allowing late filing in the event that a continuance is requested by the plaintiff and is granted because of such late filing.

(e) If the defendant has a counterclaim which exceeds the jurisdiction of the court and the defendant files an affidavit by himself, his attorney or agent with

the administrator not less than five days before the date set for court hearing showing that he has filed with the administrator of a specified other court of competent jurisdiction a complaint seeking recovery from the plaintiff on the counterclaim and stating the nature and amount thereof, the administrator shall strike the action from the calendar and so advise the plaintiff by mail. If the plaintiff not less than 30 days nor more than three years after the filing of such an affidavit shall file an affidavit showing that he has not been served with a summons in the other action or that the other action has been finally determined, the administrator shall again set the cause for court hearing and summon the defendant in the same manner as for the initial hearing and the court shall proceed to hear and determine plaintiff's claim. If no such counter-affidavit is filed by plaintiff within three years, his original claim is dismissed without prejudice without any further action by the administrator or any judge. Prior to the expiration of this three year period the plaintiff's original claim may be dismissed by plaintiff or by court order at a hearing upon motion of the defendant.

Sec. 12. Minnesota Statutes 1980, Section 488A.33, Subdivision 5, is amended to read:

Subd. 5. [VACATION OF ORDER FOR JUDGMENT WITHIN ~~TEN~~ 20 DAYS.] When a default judgment or a judgment of dismissal on the merits has been ordered for failure to appear, the judge, within ~~ten~~ 20 days after notice thereof was mailed, may vacate the order for judgment ex parte and grant a new hearing, if the defaulting party shows lack of notice, mistake, inadvertence, or excusable neglect as the cause of his failure to appear. Absolute or conditional costs not exceeding \$25 \$50 to the other party may be ordered as a prerequisite to that relief. The administrator shall notify the other party by mail of the new hearing date.

Sec. 13. Minnesota Statutes 1980, Section 488A.33, Subdivision 8, is amended to read:

Subd. 8. [VACATION OF JUDGMENT AFTER ~~TEN~~ 20 DAYS.] When a defendant shows that he did not receive a summons before the hearing within sufficient time to permit a defense and that he did not receive notice of the order for default judgment within sufficient time to permit him to make application for relief within ~~ten~~ 20 days or shows other good cause, a judge may vacate a default judgment after notice to the plaintiff and grant a new hearing on the merits with or without payment of absolute or conditional costs. The administrator shall notify the parties by mail of the new hearing date.

Sec. 14. Minnesota Statutes 1980, Section 488A.34, Subdivision 2, is amended to read:

Subd. 2. [PROCEDURE FOR REMOVAL OF CAUSE.] No cause shall be so removed unless all the following acts are performed by the aggrieved party within ~~ten~~ 20 days after the date the administrator mailed to him notice of the order for judgment:

(a) Serve on the opposing party or his attorney a demand for removal of the cause to the municipal court for trial de novo stating whether trial by a jury of six persons or by the court without a jury is demanded. Service shall be made upon a party in accordance with the provisions for personal service of a summons in the municipal court or shall be made upon the party's attorney in

accordance with the provisions for service of a notice of motion upon an attorney in the municipal court. The demand shall show the office address of the attorney for each party and the residence address of each party who does not have an attorney.

(b) File with the administrator of conciliation court the original demand for removal and proof of service thereof. If the opposing party or his attorney cannot be found and service of the demand be made within the ~~ten-day~~ 20 day period, the aggrieved party may file with the administrator within the ~~ten-day~~ 20 day period the original and a copy of the demand, together with an affidavit by himself or his attorney showing that due and diligent search has been made and that the opposing party or his attorney cannot be found and the filing of this affidavit shall serve in lieu of making service and filing proof of service. When such an affidavit is filed, the administrator shall mail the copy of the demand to the opposing party at his last known address.

(c) File with the administrator of conciliation court an affidavit by the aggrieved party or his attorney stating that the removal is made in good faith and not for the purpose of delay.

(d) Pay to the administrator of conciliation court \$6 the fee set by the board of Ramsey County commissioners when the demand is for trial by court, plus \$6 additional when the demand is for trial by a jury of six. The above fee is not payable by the county.

Sec. 15. [EFFECTIVE DATES.]

(a) Sections 1 and 5 are effective the day following final enactment.

(b) Section 2 is effective the day after compliance with Minnesota Statutes, Section 645.021, Subdivision 3 by the governing body of Ramsey County.

(c) Pursuant to Minnesota Statutes, Section 645.023, Subdivision 1, Section 3 is effective January 1, 1982 without local approval.

(d) Section 4 is effective the day after compliance with Minnesota Statutes, Section 645.021, Subdivision 3 by the governing body of the city of Minneapolis."

Delete the title and insert:

"A bill for an act relating to state and local government; providing for the appointment of additional members to the Ramsey County civil service commission; establishing an additional principal assistant position in the unclassified service for the Ramsey County Sheriff's Office; designating the office of county abstract clerk as an agency of Ramsey County; regulating the clerk's salary; providing for the employment of university or college students in the city of Minneapolis; providing for the disposition of tax-forfeited property within the capitol area; authorizing the clerk of probate court in the second district to collect a certain library fee; requiring fees to be taxed to the state and certain other government subdivisions in certain criminal prosecutions; requiring the state and the city of St. Paul to pay fees in civil actions; providing for compensation for Ramsey County conciliation court referees; amending Minnesota Statutes 1980, Sections 15.50, Subdivision 6; 140.21; 488A.20, Subdivision 4; 488A.23, Subdivision 6; 488A.30, Subdivision 1; 488A.31, Subdivisions 1 and 5; 488A.33, Subdivisions 5 and 8; 488A.34, Subdivision 2; Laws 1980, Chapter 612, Section 3; Laws 1974, Chapter 435, Sections

3.02, Subdivisions 2 and 6, as amended; and 3.11."

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

House Conferees: (Signed) Thomas J. Harens, Richard J. Kostohryz, John Drew

Senate Conferees: (Signed) Peter P. Stumpf, Gerald L. Willet, Timothy J. Penny

Mr. Stumpf moved that the foregoing recommendations and Conference Committee Report on H. F. No. 487 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H. F. No. 487 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 49 and nays 4, as follows:

Those who voted in the affirmative were:

Bang	Dieterich	Knutson	Moe, R. D.	Spear
Benson	Engler	Kroening	Nelson	Stern
Berg	Frank	Kronebusch	Penny	Stokowski
Berglin	Frederick	Langseth	Peterson, R. W.	Stumpf
Bernhagen	Frederickson	Lantry	Petty	Taylor
Bertram	Hanson	Lessard	Ramstad	Tennessen
Brataas	Hughes	Lindgren	Renneke	Vega
Davies	Humphrey	Luther	Schmitz	Waldorf
Davis	Kamrath	Merriam	Sieloff	Wegener
Dicklich	Knoll	Moe, D. M.	Sikorski	

Messrs. Olhofs; Peterson, D.L.; Pillsbury and Rued voted in the negative.

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 936, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 936 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 16, 1981

CONFERENCE COMMITTEE REPORT ON H. F. NO. 936

A bill for an act relating to natural resources; raising limitations on values of state timber which may be sold at public auction or informal sale; providing for special auction sales and changing certain other provisions relating to the sale and removal of state timber; sale of stumpage; amending Minnesota Statutes 1980, Sections 90.031, Subdivision 4; 90.101, Subdivision 1; 90.151, Sub-

divisions 11 and 13; 90.173; 90.181, Subdivision 2; 90.191, Subdivision 1; 282.04, Subdivision 1; proposing new law coded in Minnesota Statutes, Chapter 90.

May 13, 1981

The Honorable Harry A. Sieben, Jr.
Speaker of the House of Representatives

The Honorable Jack Davies
President of the Senate

We, the undersigned conferees for H. F. No. 936, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H.F. No. 936 be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1980, Section 90.031, Subdivision 4, is amended to read:

Subd. 4. The executive council may formulate and establish, from time to time, ~~such rules and regulations as~~ it deems advisable for the transaction of timber business of the state, *including approval of the sale of timber on any tract in a lot exceeding \$20,000 when the sale is in the best interests of the state, and may abrogate, modify, or suspend such rules and regulations at its pleasure.*

Sec. 2. Minnesota Statutes 1980, Section 90.041, is amended by adding a subdivision to read:

Subd. 4. In May of each year, the commissioner shall hold a public meeting in each forest area to inform the public of the manner in which the cutting list for that area for the next fiscal year is proposed to be allocated between informal, intermediate and regular auction sales. The public shall be afforded an opportunity to provide written and oral comments concerning the proposed allocation.

Sec. 3. Minnesota Statutes 1980, Section 90.101, Subdivision 1, is amended to read:

Subdivision 1. The commissioner may sell the timber on any tract of state land in lots not exceeding ~~\$7,500~~ \$20,000 in appraised value and may determine the number of sections or fractional sections of land to be covered by any one permit issued to the purchaser of timber on state lands, or in any one contract or other instrument relating thereto. No timber shall be sold, except to the highest bidder at public auction, and the minimum price shall be the appraised value as fixed by the report of the state appraiser. All sales shall be held in the county in which the tract is located and no sale shall be held in more than one location on any one day.

Sec. 4. [90.121] [INTERMEDIATE AUCTION SALES; MAXIMUM LOTS OF \$7,000.]

The commissioner may sell the timber on any tract of state land in lots not exceeding \$7,000 in appraised value, in the same manner as timber sold at public auction under section 90.101, and related laws, subject to the following

special exceptions and limitations:

(1) sales shall be at the forest office or other public facility most accessible to potential bidders or close to where the tract is located;

(2) the commissioner's list describing the tract, quantity of timber, and appraised price shall be compiled not less than 30 days before the date of sale and a copy of the list posted not less than 30 days before the date of the sale;

(3) notice of the sale shall be published once, not less than one week before the date of the sale;

(4) no bidder may be awarded more than 25 percent of the total tracts offered at the first round of bidding unless fewer than four tracts are offered, in which case not more than one tract shall be awarded to one bidder. Any tract not sold shall be available for a period of 90 days for purchase by persons eligible under this section at the appraised value;

(5) the bond or deposit required pursuant to section 90.161 or 90.173 shall be given or deposited before any cutting begins or not later than nine months after the date of sale, whichever is earlier;

(6) in lieu of the placing of the marks M I N on cut products as prescribed under section 90.151, subdivision 2, all landings of cut products shall be legibly marked with the name of the permit holder and the assigned permit number;

(7) no person may hold more than four permits issued under this section and no sale may be made to a person holding four permits which are still in effect or to a person having more than 20 employees;

(8) the permit may not exceed one year in duration;

(9) if the purchaser for good and sufficient reason is unable to cut the timber within the one year permit period, the commissioner may grant one extension for a period of up to one year from the date of expiration of the original permit without interest, and one additional extension of one year with interest;

(10) if all cut timber, equipment, and buildings, are not removed at the end of any 120 day extension period which the commissioner may grant for removal, the commissioner may grant a second period of time not to exceed 120 days for the removal of cut timber, equipment, and buildings upon receipt of a request by the permit holder for hardship reasons only.

The auction sale procedure set forth in this section constitutes an additional alternative timber sale procedure available to the commissioner and is not intended to replace other authority possessed by the commissioner to sell timber in lots of \$7,000 or less.

Sec. 5. Minnesota Statutes 1980, Section 90.151, Subdivision 11, is amended to read:

Subd. 11. Except as authorized under section 90.191, any permit ~~failing which fails to conform to the requirements of this section or, in the case of a permit issued under section 4, which fails to conform to the requirements of section 4, shall be void on its face.~~

Sec. 6. Minnesota Statutes 1980, Section 90.151, Subdivision 13, is amended to read:

Subd. 13. The commissioner may grant extensions of timber permits and contracts, ~~whether issued before or after July 1, 1967, for such periods as the commissioner deems advisable, provided that (1) for permits issued on or after May 15, 1975 the total of such the extensions shall not exceed three years from the date of the expiration of the original permit, and (2) for permits issued prior to May 15, 1975 the total of such the extensions and the original permit term shall not exceed ten years from date of issuance of the permit. All extensions granted pursuant to this subdivision shall be subject to all the provisions of this chapter. The commissioner shall include in each extension a condition that the purchaser shall pay to the state interest at the rate of ~~six~~ eight percent of the unpaid purchase price for each year of such extension or portion thereof to the date of the seasonal scale report of products cut as computed on the sale price of the timber cut, or if not cut, upon the official estimate thereof; however, the purchaser is not required to pay interest totaling \$1 or less.~~

Sec. 7. Minnesota Statutes 1980, Section 90.161, Subdivision 1, is amended to read:

Subdivision 1. Except as otherwise provided by law the purchaser of any state timber, before any timber permit to him shall become effective for any purpose, shall within 90 days from the date of purchase give a good and valid bond to the state of Minnesota equal to the value of all timber covered or to be covered by the permit, as shown by the sale price bid therefor and the appraisal report thereof as to quantity, ~~less the amount of any payment pursuant to section 90.14, which bond shall be conditioned upon the faithful performance by the purchaser and his successors in interest of all the terms and conditions of the permit and all requirements of law in respect to such sales; and the bond shall be approved in writing by the commissioner and filed for record in his office.~~

Sec. 8. Minnesota Statutes 1980, Section 90.173, is amended to read:

90.173 [PURCHASER'S OR ASSIGNEE'S CASH DEPOSIT IN LIEU OF BOND.]

In lieu of filing the bond required by section 90.161 or 90.171, as security for the issuance or assignment of a timber permit the person required to file ~~such the~~ bond may deposit with the state treasurer cash, a certified check, ~~or a~~ cashier's check, ~~a postal, bank, or express money order, assignable bonds or notes of the United States, or an assignment of a bank savings account or investment certificate or an irrevocable bank letter of credit, in the same amount as would be required for a bond. If securities listed in this section are deposited, the par value of the securities shall be not less than the amount required for the timber sale bond, and the person required to file the timber sale bond shall submit an agreement authorizing the commissioner to sell or otherwise take possession of the security in the event of default under the timber sale.~~ All of the conditions of the timber sale bond shall equally apply to ~~such the~~ deposit with the state treasurer. In the event of a default the state may take from ~~such the~~ deposit the sum of money to which it is entitled; the remainder, if any, shall be returned to the person making ~~such the~~ deposit and shall bear interest at the rate determined pursuant to section 549.09 if not returned within 30 days from the date of the default. ~~Such~~ Sums of money as may be required by the state treasurer to carry out the terms and provisions of this section are hereby appropriated from the general fund to the state treasurer for ~~such these~~

purposes. When cash is deposited for a bond, it shall be applied to the amount due when a statement is prepared and transmitted to the permit holder pursuant to section 90.181. Any balance due to the state shall be shown on the statement and shall be paid as provided in section 90.181. Any amount of the deposit in excess of the amount determined to be due pursuant to section 90.181 shall be returned to the permit holder when a final statement is transmitted pursuant to that section. All or part of a cash bond may be withheld from application to an amount due on a non-final statement if it appears that the total amount due on the permit will exceed the bid price.

Sec. 9. Minnesota Statutes 1980, Section 90.181, Subdivision 2, is amended to read:

Subd. 2. [DEFERRED PAYMENTS.] If the amount of the statement is not paid within 30 days of the date thereof, it shall bear interest at the rate of ~~six~~ **percent per annum from date determined pursuant to section 549.09**, except that the purchaser shall not be required to pay ~~such~~ interest that totals \$1 or less. If the amount is not paid within 60 days, the commissioner shall place the account in the hands of the attorney general who shall proceed to collect the same. When *deemed in the best interests of the state*, the commissioner shall ~~deem it for the best interest of the state he shall~~ take possession of the timber for which ~~such an~~ amount is due wherever it may be found and sell the same informally or at public auction after giving ~~such notice as he deems~~ reasonable notice. The proceeds of ~~such the~~ sale shall be applied, first, to the payment of the expenses of seizure and sale; and, second, to the payment of the amount due for ~~such the~~ timber, with interest; and the surplus, if any, shall belong to the state; and, in case a sufficient amount is not realized to pay ~~such these~~ amounts in full, the balance shall be collected by the attorney general. Neither payment of ~~such the~~ amount, nor the recovery of judgment therefor, nor satisfaction of ~~such the~~ judgment, nor the seizure and sale of ~~such~~ timber, shall release the sureties on any bond given pursuant to this chapter, or preclude the state from afterwards claiming that ~~such the~~ timber was cut or removed contrary to law and recovering damages for the trespass thereby committed, or from prosecuting the offender criminally.

Sec. 10. Minnesota Statutes 1980, Section 90.191, Subdivision 1, is amended to read:

Subdivision 1. The commissioner may sell the timber on any tract of state land in lots not exceeding ~~\$1,500~~ \$3,000 in appraised value, without formalities but for not less than the full appraised value thereof, to any ~~individual~~ person. No sale shall be made under this section to any person holding two permits issued hereunder which are still in effect; *except that (1) a partnership as defined in chapter 323, which may include spouses but which shall provide evidence that a partnership exists, may be holding two permits for each of not more than three partners who are actively engaged in the business of logging or who are the spouses of persons who are actively engaged in the business of logging with that partnership; and (2) a corporation, a majority of whose shares and voting power are owned by natural persons related to each other within the fourth degree of kindred according to the rules of the civil law or their spouses or estates, may be holding two permits for each of not more than three shareholders who are actively engaged in the business of logging or who are the spouses of persons who are actively engaged in the business of logging with that corporation.*

Sec. 11. [EXTENSION OF CERTAIN TIMBER PERMITS.]

The commissioner of natural resources may extend for an additional period of not to exceed one year any timber permit issued pursuant to Minnesota Statutes, Section 90.191, which expires during 1981. This extension shall be in addition to any extension previously granted pursuant to section 90.191; shall be made without additional charge, and shall otherwise be subject to the requirements of section 90.191.

Sec. 12. Minnesota Statutes 1980, Section 282.04, Subdivision 1, is amended to read:

Subdivision 1. [TIMBER SOLD FOR CASH.] The county auditor may sell dead, down and mature timber upon any tract that may be approved by the natural resources commissioner. Such sale of timber products shall be made for cash at not less than the appraised value determined by the county board to the highest bidder after not less than one week's published notice in an official paper within the county. Any timber offered at such public sale and not sold may thereafter be sold at private sale by the county auditor at not less than the appraised value thereof, until such time as the county board may withdraw such timber from sale. The appraised value of the timber and the forestry practices to be followed in the cutting of said timber shall be approved by the commissioner of natural resources. Payment of the full sale price of all timber sold on tax-forfeited lands shall be made in cash at the time of the timber sale. The county board may require final settlement on the basis of a scale of cut products. Any parcels of land from which timber is to be sold by scale of cut products shall be so designated in the published notice of sale above mentioned, in which case the notice shall contain a description of such parcels, a statement of the estimated quantity of each species of timber thereon and the appraised price of each specie of timber for 1,000 feet, per cord or per piece, as the case may be. In such cases any bids offered over and above the appraised prices shall be by percentage, the percent bid to be added to the appraised price of each of the different species of timber advertised on the land. The purchaser of timber from such parcels shall pay in cash at the time of sale at the rate bid for all of the timber shown in the notice of sale as estimated to be standing on the land, and in addition shall pay at the same rate for any additional amounts which the final scale shows to have been cut or was available for cutting on the land at the time of sale under the terms of such sale. Where the final scale of cut products shows that less timber was cut or was available for cutting under terms of such sale than was originally paid for, the excess payment shall be refunded from the forfeited tax sale fund upon the claim of the purchaser, to be audited and allowed by the county board as in case of other claims against the county. No timber, except hardwood pulpwood, may be removed from such parcels of land or other designated landings until scaled by a person or persons designated by the county board and approved by the commissioner of natural resources. Landings other than the parcel of land from which timber is cut may be designated for scaling by the county board by written agreement with the purchaser of the timber. The county board may, by written agreement with the purchaser and with a consumer designated by him when the timber is sold by the county auditor, and with the approval of the commissioner of natural resources, accept the consumer's scale of cut products delivered at the consumer's landing. No timber shall be removed until fully paid for in cash. Small amounts of green standing, dead, down, dying, insect infected or diseased

timber not exceeding ~~\$1,500~~ \$3,000 in appraised valuation may be sold for not less than the full appraised value at private sale to individual persons without first publishing notice of sale or calling for bids, provided that in case of such sale involving a total appraised value of more than \$200 the sale shall be made subject to final settlement on the basis of a scale of cut products in the manner above provided and not more than two such sales, directly or indirectly to any individual shall be in effect at one time. As directed by the county board, the county auditor may lease tax-forfeited land to individuals, corporations or organized subdivisions of the state at public or private vendue, and at such prices and under such terms as the county board may prescribe, for use as cottage and camp sites and for agricultural purposes and for the purpose of taking and removing of hay, stumpage, sand, gravel, clay, rock, marl, and black dirt therefrom, and for garden sites and other temporary uses provided that no leases shall be for a period to exceed ten years; provided, further that any leases involving a consideration of more than \$300 per year, except to an organized subdivision of the state shall first be offered at public sale in the manner provided herein for sale of timber. Upon the sale of any such leased land, it shall remain subject to the lease for not to exceed one year from the beginning of the term of the lease. Any rent paid by the lessee for the portion of the term cut off by such cancellation shall be refunded from the forfeited tax sale fund upon the claim of the lessee, to be audited and allowed by the county board as in case of other claims against the county. The county auditor, with the approval of the county board is authorized to grant permits, licenses, and leases to tax-forfeited lands for the depositing of stripping, lean ores, tailings, or waste products from mines or ore milling plants, upon such conditions and for such consideration and for such period of time, not exceeding 15 years, as the county board may determine; said permits, licenses, or leases to be subject to approval by the commissioner of natural resources. Any person who removes any timber from tax-forfeited land before said timber has been scaled and fully paid for as provided in this subdivision is guilty of a misdemeanor. The county auditor may, with the approval of the county board and the commissioner of natural resources, and without first offering at public sale, grant leases, for a term not exceeding 25 years, for the removal of peat from tax-forfeited lands upon such terms and conditions as the county board may prescribe.

Provided, however, that no lease for the removal of peat shall be made by the county auditor pursuant to this section without first holding a public hearing on his intention to lease. One printed notice in a legal newspaper in the county at least ten days before the hearing, and posted notice in the courthouse at least 20 days before the hearing shall be given of the hearing.

Sec. 13. [MEETINGS IN 1981.]

Notwithstanding any contrary provision in section 2, in 1981 the meetings required by that section shall be held not later than July 1, 1981.

Sec. 14. [EFFECTIVE DATE.]

Sections 2, 11 and 13 are effective the day following final enactment. The remaining sections of this act are effective August 1, 1981."

Delete the title and insert:

"A bill for an act relating to natural resources; raising limitations on values

of state timber which may be sold at public auction or informal sale; providing for intermediate auction sales and changing certain other provisions relating to the sale and removal of state timber; sale of stumpage; permitting extension of certain timber permits; amending Minnesota Statutes 1980, Sections 90.031, Subdivision 4; 90.041, by adding a subdivision; 90.101, Subdivision 1; 90.151, Subdivisions 11 and 13; 90.161, Subdivision 1; 90.173; 90.181, Subdivision 2; 90.191, Subdivision 1; 282.04, Subdivision 1; proposing new law coded in Minnesota Statutes, Chapter 90."

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

House Conferees: (Signed) Arlene I. Lehto, Willard M. Munger, Myron E. Nysether

Senate Conferees: (Signed) Marv Hanson, Bob Lessard, Gerald L. Willet

Mr. Hanson moved that the foregoing recommendations and Conference Committee Report on H. F. No. 936 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H. F. No. 936 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

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

Those who voted in the affirmative were:

Bang	Dieterich	Langseth	Peterson, D. L.	Spear
Benson	Engler	Lantry	Peterson, R. W.	Stern
Berg	Frank	Lessard	Petty	Stokowski
Berglin	Frederickson	Lindgren	Pillsbury	Stumpf
Bernhagen	Hanson	Luther	Ramstad	Taylor
Bertram	Hughes	Merriam	Renneke	Tennessen
Brataas	Humphrey	Moe, D. M.	Rued	Vega
Dahl	Kamrath	Moe, R. D.	Schmitz	Waldorf
Davies	Knutson	Nelson	Setzepfand	Wegener
Davis	Kroening	Olthoff	Sieloff	
Dicklich	Kronebusch	Penny	Sikorski	

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

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate proceed to the Order of Business of Reports of Committees. The motion prevailed.

REPORTS OF COMMITTEES

Mr. Johnson from the Committee on Taxes and Tax Laws, to which was re-referred

H. F. No. 1132: A bill for an act relating to the revenue recapture act; expanding the definition of claimant agencies to include counties and state district courts; amending Minnesota Statutes 1980, Sections 270A.02; and 270A.03, Subdivisions 2 and 5.

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

follows:

Page 1, after line 8, insert:

"Section 1. [STATE GOVERNMENT: APPROPRIATIONS.]

The sums set forth in the columns designated "APPROPRIATIONS" are appropriated from the general fund, or any other fund designated, to the agencies and for the purposes specified in the following sections of this act, to be available for the fiscal years indicated for each purpose. The figures "1982", and "1983", wherever used in this act, mean that the appropriation or appropriations listed thereunder are available for the year ending June 30, 1982, or June 30, 1983, respectively.

SUMMARY BY FUND

	1982	1983	TOTAL
General	\$38,694,520	\$59,192,400	\$97,886,920
		APPROPRIATIONS	
		Available for the Year	
		Ending June 30	
		1982	1983

Sec. 2. EDUCATION AIDS

Subdivision 1. Foundation Aid \$16,100,000 \$19,715,500

The appropriation for the first year is for aid for fiscal year 1982 payable in fiscal year 1982. The appropriation for the second year includes \$1,800,000 for aid for fiscal year 1982 payable in fiscal year 1983, and \$17,917,500 for aid for fiscal year 1983 payable in fiscal year 1983. These amounts are added to the amounts appropriated for foundation aid in the law enacted at the 1981 regular session styled as House File No. 70.

Subd. 2. Summer School 162,000

This appropriation is for 1982 summer school programs and shall be added to the amount appropriated for 1982 summer school programs in the law enacted at the 1981 regular session styled as House File No. 70.

Subd. 3. Special Education Aid 6,509,520 7,399,900

The appropriation for the first year is for aid for fiscal year 1982 payable in fiscal year 1982. The appropriation for the second year includes \$723,280 for aid for fiscal year 1982 payable in fiscal year 1983, and \$6,676,620 for aid for fiscal year 1983 payable in fiscal year 1983. These appropriations are added to the amounts appropriated for special education aid in the law enacted at the 1981 regular session styled as House File No. 70.

Sec. 3. HIGHER EDUCATION
COORDINATING BOARD 5,435,000 3,565,000

	1982	1983
	\$	\$
\$3,685,000 the first year and \$1,815,000 the second year is for scholarships and grants-in-aid, and \$1,750,000 the first year and \$1,750,000 the second year is for private college contracts.		

Sec. 4. PUBLIC WELFARE

Medical Assistance for Nursing

Home Residents and Others	10,650,000	28,350,000
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This appropriation shall be added to the amounts appropriated for medical assistance in the law enacted at the 1981 regular session styled as House File No. 1446, Section 2, Subdivision 4, and is for the purpose of providing for reserved bed days for residents of long term care facilities; paying for restorative and maintenance therapy; increasing the amount of liquid assets that the spouse of a person residing in a nursing home may retain; establishing a drug formulary; increasing the amount of money available in fiscal year 1983 for paying the costs of care of elderly residents of nursing homes; changing the base year for vendor reimbursements from the 50th percentile of 1978 usual and customary fees to the 50th percentile of 1980 usual and customary fees; and changing the percentage increase on limits for payments to medical assistance vendors from 8 percent in the first year to 10 percent in each year of the biennium.

If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

Sec. 5. A law enacted at the 1981 regular session styled as House File No. 70, as added in Article I, Section 21, Subdivision 1, is amended as follows:

Sec. 21. [124.2122] [BASIC FOUNDATION AID.]

Subdivision 1. [FORMULA ALLOWANCE.] "Foundation aid formula allowance" or "formula allowance" means the amount of revenue per pupil unit used in the computation of foundation aid for a particular school year and in the computation of permissible levies for use in that school year. The formula allowance shall be ~~\$1,348~~ \$1,338 for 1980 payable 1981 levies and for foundation aid for the 1981-1982 school year. The formula allowance shall be ~~\$1,400~~ \$1,422 for 1981 payable 1982 levies and for foundation aid for the 1982-1983 school year.

Sec. 6. Minnesota Statutes 1980, Section 124.32, Subdivision 1, as amended by a law enacted at the 1981 regular session styled as House File No. 70, Article III, Section 11, is amended to read:

124.32 [HANDICAPPED CHILDREN.]

Subdivision 1. (a) ~~For the 1981-1982 and 1982-1983 school years,~~ The state shall pay to any district for the employment in its educational program for

handicapped children 65 70 percent of the salary of essential personnel for the normal school year for each full time person employed, or a pro rata amount for a part time person or a person employed for a limited time, whether the essential personnel are employed by a district alone or jointly with another district.

(b) Beginning in the 1983-1984 school year and each year thereafter, the state shall pay to any district for the employment in its educational program for handicapped children 70 percent of the salary of essential personnel for the normal school year for each full time person employed, or a pro rata amount for a part time person or a person employed for a limited time, whether the essential personnel are employed by a district alone or jointly with another district.

Sec. 7. Minnesota Statutes 1980, Section 256B.02, Subdivision 8, as amended by a law enacted at the 1981 regular session styled as House File No. 1446, Article II, Section 26, is amended to read:

Subd. 8. "Medical assistance" or "medical care" means payment of part or all of the cost of the following care and services for eligible individuals whose income and resources are insufficient to meet all of such cost:

- (1) Inpatient hospital services.
- (2) Skilled nursing home services and services of intermediate care facilities. Payment shall be made only for days on which the eligible individual is in the nursing home or facility.
- (3) Physicians' services.
- (4) Outpatient hospital or clinic services.
- (5) Home health care services.
- (6) Private duty nursing services.
- (7) No payments shall be made pursuant to this chapter directly to physical therapists, occupational therapists, speech pathologists and audiologists. Prescribed restorative therapy and specialized maintenance therapy which must be provided by physical therapists, occupational therapists, speech pathologists and audiologists in a nursing home, boarding care home or supervised living facility shall be included in the per diem rate of the facility. Specialized maintenance therapy which must be provided by a therapist shall not include ambulation, passive range of motion, transfer and activities of daily living, and teaching and follow-up which are considered nursing care services. Payments to medicare-certified rehabilitation agencies shall be limited to payments for physician services and prescribed restorative therapy provided by physical therapists, occupational therapists, speech pathologists and audiologists *Physical therapy and related services*.
- (8) Dental services, excluding cast metal restorations.
- (9) Laboratory and x-ray services.
- (10) The following if prescribed by a licensed practitioner: drugs, eyeglasses, dentures, and prosthetic devices. The commissioner shall prescribe a drug formulary. Payments for prescribed drugs shall be limited as follows, unless prior authorization for exceptions is received from the commissioner: (a) One prescription per maintenance drug per month; and (b) Three prescriptions per month per recipient. "Drug formulary" means the list of drugs approved by the commissioner upon the advice of the drug formulary committee that are reimbursable under the state medical assistance program. Prom-

ulation and publication of the formulary shall be exempt from the requirements of chapter 15. The formulary shall not include: (a) Drugs lacking FDA approval for safety and efficacy; (b) Over the counter drugs, except for antacids, acetaminophen, family planning products, aspirin, insulin, prenatal vitamins, and vitamins for children under age 7; (c) Nutritional products; (d) Anorectics; and (e) Drugs for which medical value has not been established. The drug formulary committee shall review all drugs and advise the commissioner as to their inclusion or exclusion from the drug formulary. The formulary committee shall be comprised of one representative each of: the university of Minnesota's school of dentistry, school of medicine and college of pharmacy; the Minnesota medical association; the Minnesota state pharmaceutical association; the department of health, and the department of public welfare. The commissioner or his agent shall serve as secretary to the committee. The commissioner shall designate a formulary committee which shall advise the commissioner on the names of drugs for which payment shall not be made, recommend a system for reimbursing providers on a set fee or charge basis rather than the present system, and develop methods encouraging use of generic drugs when they are less expensive and equally effective as trademark drugs. The formulary committee shall consist of nine members, four of whom shall be physicians who are not employed by the department of public welfare; and a majority of whose practice is for persons paying privately or through health insurance, three of whom shall be pharmacists who are not employed by the department of public welfare, and a majority of whose practice is for persons paying privately or through health insurance, a consumer representative, and a nursing home representative. Committee members shall serve two year terms and shall serve without compensation. Promulgation of the formulary shall be consistent with the requirements of section 15.0412, subdivision 5.

(11) Diagnostic, screening, and preventive services.

(12) Health care pre-payment plan premiums and insurance premiums if paid directly to a vendor and supplementary medical insurance benefits under Title XVIII of the Social Security Act.

(13) Abortion services, but only if one of the following conditions is met:

(a) The abortion is a medical necessity. "Medical necessity" means (1) the signed written statement of two physicians indicating the abortion is medically necessary to prevent the death of the mother, and (2) the patient has given her consent to the abortion in writing unless the patient is physically or legally incapable of providing informed consent to the procedure, in which case consent will be given as otherwise provided by law;

(b) The pregnancy is the result of criminal sexual conduct as defined in section 609.342, clauses (c), (d), (e)(i), and (f), and the incident is reported within 48 hours after the incident occurs to a valid law enforcement agency for investigation, unless the victim is physically unable to report the criminal sexual conduct, in which case the report shall be made within 48 hours after the victim becomes physically able to report the criminal sexual conduct; or

(c) The pregnancy is the result of incest, but only if the incident and relative are reported to a valid law enforcement agency for investigation prior to the abortion.

(14) Transportation costs incurred solely for obtaining emergency medical

care or transportation costs incurred by non-ambulatory persons in obtaining emergency or non-emergency medical care when paid directly to an ambulance company, common carrier, or other recognized providers of transportation services. For the purpose of this clause, a person who is incapable of transport by taxicab or bus shall be considered to be non-ambulatory.

(15) To the extent authorized by rule of the state agency, costs of bus or taxicab transportation incurred by any ambulatory eligible person for obtaining non-emergency medical care.

(16) Any other medical or remedial care licensed and recognized under state law unless otherwise prohibited by law.

Sec. 8. Minnesota Statutes 1980, Section 256B.03, as amended by a law enacted in the 1981 regular session styled as House File No. 1446, Article II, Section 27, is amended to read:

256B.03 [PAYMENTS TO VENDORS.]

Subdivision 1. [GENERAL LIMIT.] All payments for medical assistance hereunder must be made to the vendor.

Subd. 2. [LIMIT ON ANNUAL INCREASE TO LONG-TERM CARE PROVIDERS.] Notwithstanding the provisions of sections 256B.42 to 256B.48, *a law enacted in the 1981 regular session styled as House File No. 1446, Article II, Section 2*, and rules promulgated under those sections, rates paid to a skilled nursing facility or an intermediate care facility, including boarding care facilities and supervised living facilities, except state owned and operated facilities, for ~~the first rate year~~ years beginning during the biennium ending June 30, 1983, shall not exceed by more than ~~eight~~ ten percent the final rate allowed to the facility for the preceding rate year.

Notwithstanding provisions of Minnesota Statutes, Section 256B.45, Subdivision 1, the commissioner shall not increase the percentage for investment allowances.

Sec. 9. Minnesota Statutes 1980, Section 256B.06, Subdivision 1, as amended by a law enacted at the 1981 regular session styled as House File No. 1446, Article II, Section 28, is amended to read:

Subdivision 1. Medical assistance may be paid for any person:

(1) Who is eligible for or receiving public assistance under the aid to families with dependent children program; or

(2) Who is eligible for or receiving supplemental security income for the aged, blind and disabled; or

(3) Who except for the amount of income or resources would qualify for supplemental security income for the aged, blind and disabled, or aid to families with dependent children and is in need of medical assistance; or

(4) Who is under 21 years of age and in need of medical care that neither he nor his relatives responsible under sections 256B.01 to 256B.26 are financially able to provide; or

(5) Who is residing in a hospital for treatment of mental disease or tuberculosis and is 65 years of age or older and without means sufficient to pay the per capita hospital charge; and

(6) Who resides in Minnesota, or, if absent from the state, is deemed to be a resident of Minnesota in accordance with the regulations of the state agency; and

(7) Who alone, or together with his spouse, does not own real property other than the homestead. For the purposes of this section, "homestead" means the house owned and occupied by the applicant as his dwelling place, together with the land upon which it is situated and an area no greater than two contiguous lots in a platted or laid out city or town or the smallest parcel allowed under applicable zoning regulations in unplatted land. Real estate not used as a home may not be retained unless it produces net income applicable to the family's needs or the family is making a continuing effort to sell it at a fair and reasonable price or unless sale of the real estate would net an insignificant amount of income applicable to the family's needs, or unless the commissioner determines that sale of the real estate would cause undue hardship; and

(8) Who individually does not own more than \$2,000 in cash or liquid assets, or if a member of a household with two family members (husband and wife, or parent and child), does not own more than \$4,000 in cash or liquid assets, plus \$200 for each additional legal dependent; ~~except that. When only one spouse resides, or will reside after applying for medical assistance, in a nursing home, or is receiving or will receive alternative care under the alternative care grants program in a county with preadmission screening under section 256B.091, the cash or liquid asset amount for two family members is \$10,000.~~ The value of the following shall not be included:

(a) the homestead, and (b) one motor vehicle licensed pursuant to Minnesota Statutes, Chapter 168 and defined as: (1) passenger automobile, (2) station wagon, (3) motorcycle, (4) motorized bicycle or (5) truck of the weight found in categories A to E, of section 168.013, Subdivision 1e; and

(9) Who has or anticipates receiving an annual income not in excess of \$2,600 for a single person, or \$3,250 for two family members (husband and wife, parent and child, or two siblings), plus \$625 for each additional legal dependent, or who has income in excess of these maxima and in the month of application, or during the three months prior to the month of application, incurs expenses for medical care that total more than one-half of the annual excess income in accordance with the regulations of the state agency. In computing income to determine eligibility of persons who are not residents of long term care facilities, the commissioner shall disregard increases in income of social security or supplementary security income recipients due solely to increases required by sections 215(i) and 1617 of the social security act, and shall disregard income of disabled persons that is also disregarded in determining eligibility for supplemental aid under section 256D.37, subdivision 1, unless prohibited by federal law or regulation. If prohibited, the commissioner shall first seek a waiver. In excess income cases, eligibility shall be limited to a period of six months beginning with the first of the month in which these medical obligations are first incurred; and

(10) Who has continuing monthly expenses for medical care that are more than the amount of his excess income, computed on a monthly basis, in which case eligibility may be established before the total income obligation referred to in the preceding paragraph is incurred, and medical assistance payments may be made to cover the monthly unmet medical need. In licensed nursing home

and state hospital cases, income over and above that required for justified needs, determined pursuant to a schedule of contributions established by the commissioner of public welfare, is to be applied to the cost of institutional care. The commissioner of public welfare may establish a schedule of contributions to be made by the spouse of a nursing home resident to the cost of care and shall seek a waiver from federal regulations which establish the amount required to be contributed by either spouse when one spouse is a nursing home resident; and

(11) Who has applied or agrees to apply all proceeds received or receivable by him or his spouse from automobile accident coverage and private health care coverage to the costs of medical care for himself, his spouse, and children. The state agency may require from any applicant or recipient of medical assistance the assignment of any rights accruing under private health care coverage. Any rights or amounts so assigned shall be applied against the cost of medical care paid for under this chapter. Any assignment shall not be effective as to benefits paid or provided under automobile accident coverage and private health care coverage prior to receipt of the assignment by the person or organization providing the benefits.

Sec. 10. Minnesota Statutes 1980, Section 256B.08, is amended to read:

256B.08 [APPLICATION.]

An applicant for medical assistance hereunder, or a person acting in his behalf, shall file his application with a county agency in such manner and form as shall be prescribed by the state agency. *When a married applicant resides in a nursing home or applies for medical assistance for nursing home services, the county agency shall consider an application on behalf of the applicant's spouse only upon specific request of the applicant or upon specific request of the spouse and separate filing of an application.*

Sec. 11. A law enacted at the 1981 regular session styled as House File No. 1446, Article II, Section 2, Subdivision 1, is amended to read:

Subdivision 1. *Notwithstanding the provisions of a law enacted at the 1981 regular session styled as House File No. 1446, Article II, Section 2, Subdivision 2, Clause (c), all payments for vendors of medical care under ~~medical assistance and~~ general assistance medical care shall be limited to based upon this standard; the 50th percentile of usual and customary fees based upon medical assistance billings during calendar year 1978. All payments for vendors of medical care under medical assistance shall be limited to the 50th percentile of usual and customary fees based upon billings during calendar year 1980 for physician services, dental care, vision care, podiatric services, chiropractic care, physical therapy, occupational therapy, speech pathologists, audiologists, mental health centers, psychologists, public health clinics, and independent laboratory and x-ray services.*

Sec. 12. [BUDGET REVIEW CONTINUED.]

The policy of the 72nd legislature shall be to continue to review the 1982-83 state budget during the interim between the 1981 and 1982 sessions in order to find cost savings to further reduce expenditures in the biennium budget."

Page 2, after line 10, insert:

"Sec. 16. [297.17] [ADDITIONAL TAX ON CIGARETTES.]

Subdivision 1. [TAX IMPOSED.] In addition to the tax imposed pursuant to section 297.02, there is imposed a tax upon the sale of cigarettes in this state or having cigarettes in possession in this state with intent to sell and upon any person engaged in business as a distributor thereof, at the following rates, subject to the discount provided in section 297.03:

(1) On cigarettes weighing not more than three pounds per thousand, 2.5 mills on each cigarette;

(2) On cigarettes weighing more than three pounds per thousand, 2.5 mills on each cigarette.

Subd. 2. [FEDERAL LAWS:] The tax imposed by this section shall not apply with respect to any sale which under the constitution and laws of the United States may not be made the subject of taxation by this state.

Subd. 3. [SALES BY STATE.] The state of Minnesota or any of its agencies, instrumentalities, or governmental subdivisions except institutions under the control and management of the commissioner of corrections shall be subject to the tax imposed by this chapter on all cigarettes sold, in the same manner as distributors, if the unit is engaged in the purchase and sale of cigarettes.

Subd. 4. [ADMINISTRATION OF TAX; PENALTIES.] The tax shall be collected together with and as part of the tax imposed in section 297.02, but the commissioner may require that returns filed shall separately report each tax. The provisions of sections 297.01, 297.02, subdivisions 2 and 5, 297.03, and 297.05 to 297.12, relating to the administration of the tax and imposing interest and penalties, shall apply to the additional tax imposed by this section.

Subd. 5. [DISPOSITION OF REVENUE.] The revenues received from the taxes, interest and penalties imposed pursuant to this section shall be deposited by the commissioner of revenue in the state treasury to the credit of the general fund.

Sec. 17. [297.27] [ADDITIONAL TAX ON USE OR STORAGE OF CIGARETTES BY CONSUMERS.]

Subdivision 1. [TAX IMPOSED.] In addition to the tax imposed pursuant to section 297.22, there is imposed a tax upon the use or storage by consumers of cigarettes in this state, and upon such consumers, at the following rates:

(1) On cigarettes weighing not more than three pounds per thousand, 2.5 mills on each cigarette;

(2) On cigarettes weighing more than three pounds per thousand, 2.5 mills on each cigarette.

Subd. 2. This tax shall not apply if the tax imposed by section 1 has been paid.

Subd. 3. This tax shall not apply to the use or storage of cigarettes in quantities of 200 or less in the possession of any one consumer, provided that the cigarettes were carried into this state by the consumer.

Subd. 4. [ADMINISTRATION OF TAX; PENALTIES.] The tax shall be collected together with and as part of the tax imposed in section 297.22, but the commissioner may require that returns filed shall separately report each tax.

The provisions of sections 297.21, 297.23, subdivisions 1 to 4, 297.24, and the penalties imposed in sections 297.23, subdivision 5, and 297.25, shall apply to the additional tax imposed by this section.

Subd. 5. [DISPOSITION OF REVENUE.] The revenues received from the taxes, interest and penalties imposed pursuant to this section shall be deposited by the commissioner of revenue in the state treasury to the credit of the general fund.

Sec. 18. Minnesota Statutes 1980, Section 297.32, Subdivision 1, is amended to read:

Subdivision 1. A tax is hereby imposed upon all tobacco products in this state and upon any person engaged in business as a distributor thereof, at the rate of ~~20~~ 27 percent of the wholesale sales price of such tobacco products except little cigars as defined in section 297.31, subdivision 2, clause (b). Little cigars shall be subject to the same rate of tax imposed on cigarettes in section 297.02, subdivision 1, clause (1), subject to the discount provided in section 297.35, subdivision 1. Such tax shall be imposed at the time the distributor (1) brings, or causes to be brought, into this state from without the state tobacco products for sale; (2) makes, manufactures, or fabricates tobacco products in this state for sale in this state; or (3) ships or transports tobacco products to retailers in this state, to be sold by those retailers.

Sec. 19. Minnesota Statutes 1980, Section 297.32, Subdivision 2, is amended to read:

Subd. 2. A tax is hereby imposed upon the use or storage by consumers of tobacco products in this state, and upon such consumers, at the rate of ~~20~~ 27 percent of the cost of such tobacco products, except little cigars as defined in section 297.31, subdivision 2, clause (b). Little cigars shall be subject to the same rate of tax imposed on cigarettes in section 297.22, subdivision 1, clause (1).

The tax imposed by this subdivision shall not apply if the tax imposed by subdivision 1 on such tobacco products has been paid.

This tax shall not apply to the use or storage of tobacco products in quantities of:

1. Not more than 50 cigars;
2. Not more than 10 oz. snuff or snuff powder;
3. Not more than 1 lb. smoking or chewing tobacco or other tobacco products not specifically mentioned herein, in the possession of any one consumer.

Sec. 20. Minnesota Statutes 1980, Section 297A.25, Subdivision 1, is amended to read:

Subdivision 1. The following are specifically exempted from the taxes imposed by sections 297A.01 to 297A.44:

- (a) The gross receipts from the sale of food products including but not limited to cereal and cereal products, butter, cheese, milk and milk products, oleomargarine, meat and meat products, fish and fish products, eggs and egg products, vegetables and vegetable products, fruit and fruit products, spices and salt, sugar and sugar products, coffee and coffee substitutes, tea, cocoa and

cocoa products, *but does not include the following:*

(i) *chewing gum and candy products;*

(ii) *carbonated beverages, beverages commonly referred to as soft drinks containing less than 15 percent fruit juice, or bottled water other than non-carbonated and noneffervescent bottled water sold in individual containers of one gallon or more in size;*

(b) The gross receipts from the sale of prescribed drugs and medicine intended for use, internal or external, in the cure, mitigation, treatment or prevention of illness or disease in human beings and products consumed by humans for the preservation of health, including prescription glasses, therapeutic and prosthetic devices, but not including cosmetics or toilet articles notwithstanding the presence of medicinal ingredients therein;

(c) The gross receipts from the sale of and the storage, use or other consumption in Minnesota of tangible personal property, tickets, or admissions, electricity, gas, or local exchange telephone service, which under the Constitution or laws of the United States or under the Constitution of Minnesota, the state of Minnesota is prohibited from taxing;

(d) The gross receipts from the sale of tangible personal property (i) which, without intermediate use, is shipped or transported outside Minnesota and thereafter used in a trade or business or is stored, processed, fabricated or manufactured into, attached to or incorporated into other tangible personal property transported or shipped outside Minnesota and thereafter used in a trade or business outside Minnesota, and which is not thereafter returned to a point within Minnesota, except in the course of interstate commerce (storage shall not constitute intermediate use); or (ii) which the seller delivers to a common carrier for delivery outside Minnesota, places in the United States mail or parcel post directed to the purchaser outside Minnesota, or delivers to the purchaser outside Minnesota by means of the seller's own delivery vehicles, and which is not thereafter returned to a point within Minnesota, except in the course of interstate commerce;

(e) The gross receipts from the sale of packing materials used to pack and ship household goods, the ultimate destination of which is outside the state of Minnesota and which are not thereafter returned to a point within Minnesota, except in the course of interstate commerce;

(f) The gross receipts from the sale of and storage, use or consumption of petroleum products upon which a tax has been imposed under the provisions of chapter 296, whether or not any part of said tax may be subsequently refunded;

(g) The gross receipts from the sale of clothing and wearing apparel except the following:

(i) all articles commonly or commercially known as jewelry, whether real or imitation; pearls, precious and semi-precious stones, and imitations thereof; articles made of, or ornamented, mounted or fitted with precious metals or imitations thereof; watches; clocks; cases and movements for watches and clocks; gold, gold-plated, silver, or sterling flatware or hollow ware and silver-plated hollow ware; opera glasses; lorgnettes; marine glasses; field glasses and binoculars.

(ii) articles made of fur on the hide or pelt, and articles of which such fur is

the component material or chief value, but only if such value is more than three times the value of the next most valuable component material.

(iii) perfume, essences, extracts, toilet waters, cosmetics, petroleum jellies, hair oils, pomades, hair dressings, hair restoratives, hair dyes, aromatic cachous and toilet powders. The tax imposed by this act shall not apply to lotion, oil, powder, or other article intended to be used or applied only in the case of babies.

(iv) trunks, valises, traveling bags, suitcases, satchels, overnight bags, hat boxes for use by travelers, beach bags, bathing suit bags, brief cases made of leather or imitation leather, salesmen's sample and display cases, purses, handbags, pocketbooks, wallets, billfolds, card, pass, and key cases and toilet cases.

(h) The gross receipts from the sale of and the storage, use, or consumption of all materials, including chemicals, fuels, petroleum products, lubricants, packaging materials, including returnable containers used in packaging food and beverage products, feeds, seeds, fertilizers, electricity, gas and steam, used or consumed in agricultural or industrial production of personal property intended to be sold ultimately at retail, whether or not the item so used becomes an ingredient or constituent part of the property produced. Such production shall include, but is not limited to, research, development, design or production of any tangible personal property, manufacturing, processing (other than by restaurants and consumers) of agricultural products whether vegetable or animal, commercial fishing, refining, smelting, reducing, brewing, distilling, printing, mining, quarrying, lumbering, generating electricity and the production of road building materials. Such production shall not include painting, cleaning, repairing or similar processing of property except as part of the original manufacturing process. Machinery, equipment, implements, tools, accessories, appliances, contrivances, furniture and fixtures, used in such production and fuel, electricity, gas or steam used for space heating or lighting, are not included within this exemption; however, accessory tools, equipment and other short lived items, which are separate detachable units used in producing a direct effect upon the product, where such items have an ordinary useful life of less than 12 months, are included within the exemption provided herein;

(i) The gross receipts from the sale of and storage, use or other consumption in Minnesota of tangible personal property (except as provided in section 297A.14) which is used or consumed in producing any publication regularly issued at average intervals not exceeding three months, and any such publication. For purposes of this subsection, "publication" as used herein shall include, without limiting the foregoing, a legal newspaper as defined by Minnesota Statutes 1965, Section 331.02, and any supplements or enclosures with or part of said newspaper; and the gross receipts of any advertising contained therein or therewith shall be exempt. For this purpose, advertising in any such publication shall be deemed to be a service and not tangible personal property, and persons or their agents who publish or sell such newspapers shall be deemed to be engaging in a service with respect to gross receipts realized from such newsgathering or publishing activities by them, including the sale of advertising. Machinery, equipment, implements, tools, accessories, appliances, contrivances, furniture and fixtures used in such publication and fuel, electricity, gas or steam used for space heating or lighting, are not exempt;

(j) The gross receipts from all sales of tangible personal property to, and all storage, use or consumption of such property by, the United States and its agencies and instrumentalities or a state and its agencies, instrumentalities and political subdivisions;

(k) The gross receipts from the isolated or occasional sale of tangible personal property in Minnesota not made in the normal course of business of selling that kind of property, and the storage, use, or consumption of property acquired as a result of such a sale;

(l) The gross receipts from sales of rolling stock and the storage, use or other consumption of such property by railroads, freight line companies, sleeping car companies and express companies taxed on the gross earnings basis in lieu of ad valorem taxes. For purposes of this clause "rolling stock" is defined as the portable or moving apparatus and machinery of any such company which moves on the road, and includes, but is not limited to, engines, cars, tenders, coaches, sleeping cars and parts necessary for the repair and maintenance of such rolling stock.

(m) The gross receipts from sales of airlight equipment and the storage, use or other consumption of such property by airline companies taxed under the provisions of sections 270.071 to 270.079. For purposes of this clause, "air-flight equipment" includes airplanes and parts necessary for the repair and maintenance of such airlight equipment, and flight simulators.

(n) The gross receipts from the sale of telephone central office telephone equipment used in furnishing intrastate and interstate telephone service to the public.

(o) The gross receipts from the sale of and the storage, use or other consumption by persons taxed under the in lieu provisions of chapter 298, of mill liners, grinding rods and grinding balls which are substantially consumed in the production of taconite, the material of which primarily is added to and becomes a part of the material being processed.

(p) The gross receipts from the sale of tangible personal property to, and the storage, use or other consumption of such property by, any corporation, society, association, foundation, or institution organized and operated exclusively for charitable, religious or educational purposes if the property purchased is to be used in the performance of charitable, religious or educational functions, or any senior citizen group or association of groups that in general limits membership to persons age 55 or older and is organized and operated exclusively for pleasure, recreation and other nonprofit purposes, no part of the net earnings of which inures to the benefit of any private shareholders;

(q) The gross receipts from the sale of caskets and burial vaults;

(r) The gross receipts from the sale of cigarettes.

(s) The gross receipts from the sale of an automobile or other conveyance if the purchaser is assisted by a grant from the United States in accordance with 38 United States Code, Section 1901, as amended.

(t) The gross receipts from the sale to the licensed aircraft dealer of an aircraft for which a commercial use permit has been issued pursuant to section 360.654, if the aircraft is resold while the permit is in effect.

(u) The gross receipts from the sale of building materials to be used in the

construction or remodeling of a residence when the construction or remodeling is financed in whole or in part by the United States in accordance with 38 United States Code, Sections 801 to 805, as amended. This exemption shall not be effective at time of sale of the materials to contractors, subcontractors, builders or owners, but shall be applicable only upon a claim for refund to the commissioner of revenue filed by recipients of the benefits provided in Title 38 United States Code, Chapter 21, as amended. The commissioner shall provide by regulation for the refund of taxes paid on sales exempt in accordance with this paragraph.

(v) The gross receipts from the sale of textbooks which are prescribed for use in conjunction with a course of study in a public or private school, college, university and business or trade school to students who are regularly enrolled at such institutions. For purposes of this clause a "public school" is defined as one that furnishes course of study, enrollment and staff that meets standards of the state board of education and a private school is one which under the standards of the state board of education, provides an education substantially equivalent to that furnished at a public school. Business and trade schools shall mean such schools licensed pursuant to section 141.25.

(w) The gross receipts from the sale of and the storage of material designed to advertise and promote the sale of merchandise or services, which material is purchased and stored for the purpose of subsequently shipping or otherwise transferring outside the state by the purchaser for use thereafter solely outside the state of Minnesota.

(x) The gross receipt from the sale of residential heating fuels in the following manner:

(i) all fuel oil, coal, wood, steam, propane gas, and L.P. gas sold to residential customers for residential use;

(ii) natural gas sold for residential use to customers who are metered and billed as residential users and who use natural gas for their primary source of residential heat, for the billing months of November, December, January, February, March and April;

(iii) electricity sold for residential use to customers who are metered and billed as residential users and who use electricity for their primary source of residential heat, for the billing months of November, December, January, February, March and April.

(y) The gross receipts from the sale or use of tickets or admissions to the premises of or events sponsored by an association, corporation or other group of persons which provides an opportunity for citizens of the state to participate in the creation, performance or appreciation of the arts and which qualifies as a tax-exempt organization within the meaning of section 290.05, subdivision 1, clause (i).

(z) The gross receipts from either the sales to or the storage, use or consumption of tangible personal property by an organization of military service veterans or an auxiliary unit of an organization of military service veterans, provided that:

(i) the organization or auxiliary unit is organized within the state of Minnesota and is exempt from federal taxation pursuant to section 501(c), clause

(19), of the Internal Revenue Code as amended through December 31, 1978; and

(ii) the tangible personal property which is sold to or stored, used or consumed by the organization or auxiliary unit is for charitable, civic, educational, or nonprofit uses and not for social, recreational, pleasure or profit uses.

Sec. 21. Minnesota Statutes 1980, Section 340.47, Subdivision 1, is amended to read:

Subdivision 1. [ON INTOXICATING LIQUORS.] There shall be levied and collected on all intoxicating liquors manufactured, imported, sold or in possession of any person in this state, except as herein provided by sections 340.50 and 340.601, and except the natural fermentation of fruit juices in the home for family use the following excise tax:

(1) On all table wine containing 14 percent or less of alcohol by volume, the sum of ~~27~~ 32 cents per gallon;

(2) On all wines containing more than 14 percent and not exceeding 21 percent of alcohol by volume, the sum of ~~79~~ 92 cents per gallon;

(3) On all wines containing more than 21 percent and not exceeding 24 percent of alcohol by volume, the sum of ~~\$1.58~~ \$1.84 per gallon;

(4) On all wines containing more than 24 percent of alcohol by volume, the sum of ~~\$3.08~~ \$3.60 per gallon;

(5) On all natural and artificial sparkling wines containing alcohol, the sum of ~~\$1.50~~ \$1.74 per gallon;

(6) On all other distilled spirituous liquors, liqueurs, cordials, and liquors designated as specialties regardless of alcoholic content, the sum of ~~\$4.39~~ \$5.10 per gallon, but not including ethyl alcohol; provided, that in computing the tax on any package of spirits a proportional tax at a like rate on all fractional parts of a gallon shall be paid except that all fractional parts of a gallon less than 1/16 shall be taxed at the same rate as shall be taxed for 1/16 of a gallon; provided, however, that the contents of miniatures containing two fluid ounces or less shall be taxed ~~42~~ 14 cents.

Sec. 22. Minnesota Statutes 1980, Section 340.47, Subdivision 1a, is amended to read:

Subd. 1a. [METRIC CONTAINERS.] In lieu of the tax imposed by subdivision 1, there shall be levied and collected on all intoxicating liquors manufactured, imported, sold or in possession of any person in this state when packaged in containers where the net contents is stated in metric units of measure, except as herein provided by sections 340.50 and 340.601, and except the natural fermentation of fruit juices in the home for family use the following excise tax:

(1) On all table wine containing 14 percent or less of alcohol by volume, the sum of ~~seven~~ eight cents per liter;

(2) On all wines containing more than 14 percent and not exceeding 21 percent of alcohol by volume, the sum of ~~24~~ 24 cents per liter;

(3) On all wines containing more than 21 percent and not exceeding 24 percent of alcohol by volume, the sum of ~~42~~ 49 cents per liter;

(4) On all wines containing more than 24 percent of alcohol by volume, the sum of ~~81 94~~ cents per liter;

(5) On all natural and artificial sparkling wines containing alcohol, the sum of ~~40 47~~ cents per liter;

(6) On all other distilled spirituous liquors, liqueurs, cordials, and liquors designated as specialties regardless of alcoholic content, the sum of ~~\$1.16~~ \$1.35 per liter, but not including ethyl alcohol; provided, that in computing the tax on any package of intoxicating liquors where the net contents is stated in metric units of measure, a proportional tax at a like rate on all fractional or multiple parts of a liter shall be paid, provided, however, that the contents of miniatures containing 50 milliliters or less shall be taxed ~~42 14~~ cents.

Sec. 23. Minnesota Statutes 1980, Section 340.47, Subdivision 2, is amended to read:

Subd. 2. [ON FERMENTED MALT BEVERAGES.] An excise tax is hereby assessed, imposed, and levied upon the sale, either directly or indirectly of fermented malt beverages other than for shipment in interstate or foreign commerce. Such tax shall not be imposed or collected upon fermented malt beverages given away by a brewery for consumption only upon the brewery premises, for which no charge of any kind is made or collected; nor shall fermented malt liquors distributed to brewery employees for consumption only upon the brewery premises pursuant to a contract of employment be subject to such tax. Such tax shall be levied and collected at the rate of ~~\$2~~ \$2.32 per barrel of 31 gallons, containing not more than 3.2 percent of alcohol by weight, and a tax of ~~\$4~~ \$4.64 per barrel of 31 gallons containing more than 3.2 percent of alcohol by weight, and at a proportional rate for fractional parts thereof. All the receipts from these taxes shall be paid into the general fund by the commissioner of revenue. Any brewer producing and selling within this state fermented malt beverages shall receive a credit of ~~\$2~~ \$2.64 per barrel on the first 75,000 barrels, regardless of alcohol content."

Page 2, delete lines 11 to 13 and insert:

"Sec. 24. [EFFECTIVE DATE; EFFECT.]

Section 5 is effective only if the amounts appropriated in section 2, subdivision 1 of this act are available to the department of education to pay school districts the increased aid amounts required by section 5 of this act. Section 6 of this act is effective only if the amounts appropriated in section 2, subdivision 3 of this act are available to the department of education to pay school districts the increased aid amounts required by section 6 of this act. If sections 5 and 6 of this act become effective, they shall supersede Article I, Section 21, Subdivision 1, and Article III, Section 11, respectively of the law enacted at the 1981 regular session styled as House File No. 70. Sections 13 to 15 are effective for refunds payable after December 31, 1981. Sections 16 to 23 are effective for cigarettes, little cigars, candy, and beverages sold, used or consumed in this state after May 31, 1981 and for liquor, wine and fermented malt beverages sold after May 31, 1981."

Renumber the sections in sequence

Amend the title as follows:

Page 1, delete lines 2 to 6 and insert:

"relating to state government; supplementing appropriations for the expenses of state government with certain conditions; expanding the definition of claimant agencies for purposes of the revenue recapture act to include counties and state district courts; increasing the rate of the tax on cigarettes, little cigars, tobacco products and alcoholic beverages; imposing the sales tax on candy and soft drinks; amending Minnesota Statutes 1980, Section 124.32, Subdivision 1, as amended; 256B.02, Subdivision 8, as amended; 256B.03, as amended; 256B.06, Subdivision 1, as amended; 256B.08; 270A.02; 270A.03, Subdivisions 2 and 5; 297.32, Subdivisions 1 and 2; 297A.25, Subdivision 1; 340.47, Subdivisions 1, 1a and 2; amending laws enacted at the 1981 regular session styled as H. F. No. 70, Article I, Section 21, Subdivision 1; and H. F. No. 1446, Article II, Section 2, Subdivision 1; proposing new law coded in Minnesota Statutes, Chapter 297."

And when so amended the bill do pass.

Mr. Moe, R.D. moved the adoption of the foregoing committee report. The motion prevailed. Amendments adopted. Report adopted.

SECOND READING OF HOUSE BILLS

H. F. No. 1132 was read the second time.

MOTIONS AND RESOLUTIONS - CONTINUED

S. F. No. 964 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S. F. NO. 964

A bill for an act relating to human rights; requiring certain state contractors to have affirmative action plans approved by the commissioner of human rights; amending Minnesota Statutes 1980, Section 363.073; proposing new law coded in Minnesota Statutes, Chapter 363.

May 16, 1981

The Honorable Jack Davies
President of the Senate

The Honorable Harry A. Sieben, Jr.
Speaker of the House of Representatives

We, the undersigned conferees for S. F. No. 964; report that we have agreed upon the items in dispute and recommend as follows:

That the Senate accede to the House amendments.

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

Senate Conferees: (Signed) Linda Berglin, Donald M. Moe, Dennis R. Frederickson

House Conferees: (Signed) Randy W. Staten, Paul A. Ogren, Karen Clark

Ms. Berglin moved that the foregoing recommendations and Conference Committee Report on S. F. No. 964 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. 964 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 48 and nays 2, as follows:

Those who voted in the affirmative were:

Bang	Dieterich	Langseth	Peterson, R. W.	Stern
Benson	Engler	Lantry	Petty	Stokowski
Berglin	Frank	Lindgren	Pillsbury	Stumpf
Bernhagen	Frederickson	Luther	Ramstad	Taylor
Bertram	Hughes	Merriam	Renneke	Tennessen
Brataas	Humphrey	Moe, D. M.	Rued	Vega
Dahl	Kamrath	Moe, R. D.	Setzepfandt	Waldorf
Davies	Knoll	Nelson	Sieloff	Wegener
Davis	Kroening	Penny	Sikorski	
Dicklich	Kronebusch	Peterson, D. L.	Spear	

Messrs. Berg and Lessard voted in the negative.

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

MOTIONS AND RESOLUTIONS - CONTINUED

S. F. No. 886 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S. F. NO. 886

A bill for an act relating to health; prohibiting disciplinary action against a physician who administers dimethyl sulfoxide under certain conditions; regulating the sale of dimethyl sulfoxide; proposing new law coded in Minnesota Statutes, Chapters 147 and 151.

May 15, 1981

The Honorable Jack Davies
President of the Senate

The Honorable Harry A. Sieben, Jr.
Speaker of the House of Representatives

We, the undersigned conferees for S. F. No. 886, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S. F. No. 886 be further amended as follows:

Page 1, delete lines 14 to 24

Page 1, line 25, before "The" insert "Subd. 2. [WRITTEN RELEASE.]"

Page 2, line 3, delete "4" and insert "3"

Page 2, line 11, after "pharmacy," insert "or not licensed to practice medicine by the board of medical examiners pursuant to sections 147.01 to 147.33,"

Page 3, after line 10, insert:

“Sec. 4. [SUNSET PROVISION.]

Sections 1 and 2 are repealed effective June 30, 1983.”

Amend the title as follows:

Page 1, line 2, delete “prohibiting disciplinary action” and insert “requiring a written disclosure and labeling information regarding dimethyl sulfoxide;”

Page 1, delete line 3

Page 1, line 4, delete “under certain conditions;”

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

Senate Conferees: (Signed) Irving M. Stern, Duane D. Benson, Ronald R. Dicklich

House Conferees: (Signed) Karen Clark, Richard J. Welch, Steve A. Sviggum

Mr. Stern moved that the foregoing recommendations and Conference Committee Report on S. F. No. 886 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. 886 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 49 and nays 1, as follows:

Those who voted in the affirmative were:

Benson	Engler	Langseth	Peterson, R. W.	Spear
Berg	Frank	Lantry	Petty	Stern
Berglin	Frederickson	Lessard	Pillsbury	Stokowski
Bernhagen	Hughes	Lindgren	Ramstad	Stumpf
Bertram	Humphrey	Luther	Renneke	Taylor
Brataas	Kamrath	Moe, D. M.	Rued	Tennessen
Dahl	Knoll	Moe, R. D.	Schmitz	Vega
Davies	Knutson	Nelson	Setzepfandt	Waldorf
Davis	Kroening	Penny	Sieloff	Wegener
Dicklich	Kronebusch	Peterson, D. L.	Sikorski	

Mr. Merriam voted in the negative.

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

MOTIONS AND RESOLUTIONS - CONTINUED

S. F. No. 400 and the Conference Committee Report thereon were reported

to the Senate.

CONFERENCE COMMITTEE REPORT ON S. F. NO. 400

A bill for an act relating to peace officers; changing the designation of part-time officers and reserve officers; removing the hours of work limitation for certain part-time peace officers; providing for two members to the peace officers standards and training board from among elected city officials; authorizing the board to provide for training for certain part-time peace officers; authorizing the board to obtain criminal history data; amending Minnesota Statutes 1980, Sections 214.10, Subdivision 7; 626.84; 626.841; 626.843, Subdivision 1; 626.845, Subdivision 1; 626.846, Subdivisions 1 and 2; 626.8461; 626.8462; 626.8463; 626.8464; 626.8465, Subdivisions 1 and 2; 626.851, Subdivision 1; and 626.852.

May 15, 1981

The Honorable Jack Davies
President of the Senate

The Honorable Harry A. Sieben, Jr.
Speaker of the House of Representatives

We, the undersigned conferees for S. F. No. 400, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate accede to the House amendments.

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

Senate Conferees: (Signed) Myrton O. Wegener, Wayne Olhoft, Glen Taylor

House Conferees: (Signed) Arlene I. Lehto, David M. Jennings, Robert E. Vanasek

Mr. Wegener moved that the foregoing recommendations and Conference Committee Report on S. F. No. 400 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. 400 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 43 and nays 5, as follows:

Those who voted in the affirmative were:

Benson	Frank	Lantry	Ramstad	Stokowski
Berglin	Frederickson	Lessard	Renneke	Stumpf
Bernhagen	Humphrey	Luther	Rued	Taylor
Bertram	Kamrath	Moe, R. D.	Schmitz	Tennessee
Brataas	Knoll	Nelson	Setzepfandt	Vega
Dahl	Knutson	Penny	Sieloff	Waldorf
Davies	Kroening	Peterson, R. W.	Sikorski	Wegener
Dieterich	Kronebusch	Petty	Spear	
Engler	Langseth	Pillsbury	Stern	

Those who voted in the negative were:

Bang	Davis	Dicklich	Frederick	Merriam
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So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

S. F. No. 452 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S. F. NO. 452

A bill for an act relating to the state board of investment; establishing standards for the selection of certain prudent investments; amending Minnesota Statutes 1980, Section 11A.09.

May 15, 1981

The Honorable Jack Davies
President of the Senate

The Honorable Harry A. Sieben, Jr.
Speaker of the House of Representatives

We, the undersigned conferees for S. F. No. 452, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate accede to the House amendments.

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

Senate Conferees: (Signed) Allan H. Spear, Gregory Dahl

House Conferees: (Signed) Karen Clark, John J. Sarna, John Drew

Mr. Spear moved that the foregoing recommendations and Conference Committee Report on S. F. No. 452 be now adopted, and that the bill be repassed as amended by the Conference Committee.

Mr. Moe, D. M. moved that the recommendations and Conference Committee Report on S. F. No. 452 be rejected, the Conference Committee discharged, and that a new Conference Committee be appointed by the Subcommittee on Committees to act with a like Conference Committee appointed on the part of the House.

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 28 and nays 23, as follows:

Those who voted in the affirmative were:

Bang	Dicklich	Knutson	Moe, D. M.	Solon
Benson	Dieterich	Kroening	Peterson, R. W.	Stumpf
Berg	Engler	Kronebusch	Petty	Tennessen
Bernhagen	Frank	Langseth	Renneke	Ulland
Bertram	Frederick	Lessard	Setzepfandt	
Davis	Frederickson	Merriam	Sieloff	

Those who voted in the negative were:

Brataas	Knoll	Penny	Sikorski	Vega
Dahl	Lantry	Peterson, D. L.	Spear	Waldorf
Davies	Lindgren	Pillsbury	Stern	Wegener
Humphrey	Moe, R. D.	Ramstad	Stokowski	
Kamrath	Nelson	Rued	Taylor	

The motion prevailed.

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R. D. moved that the Senate proceed to the Order of Business of Introduction and First Reading of Senate Bills. The motion prevailed.

INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Messrs. Willet; Johnson; Moe, R.D.; Mrs. Stokowski and Mr. Lessard introduced—

S.F. No. 1442: A bill for an act relating to outdoor recreation; creating the citizen's advisory sportsmen's council on Minnesota's outdoor recreational resources; prescribing its powers and duties; providing for a surcharge on fish and game licenses to fund the council; appropriating money; repealing Minnesota Statutes 1980, Section 86A.10.

Referred to the Committee on Agriculture and Natural Resources.

Messrs. Setzepfandt, Nelson, Purfeerst, Mmes. Brataas and Lantry introduced—

S.F. No. 1443: A bill for an act relating to agriculture; prohibiting the trafficking in skunks; setting a penalty; proposing new law coded in Minnesota Statutes, Chapter 145.

Referred to the Committee on Agriculture and Natural Resources.

Mr. Peterson, C.C. introduced—

S.F. No. 1444: A bill for an act relating to elections; providing for computerized voter registration files; amending Minnesota Statutes 1980, Section 201.221, Subdivision 2, as amended.

Referred to the Committee on Elections and Reapportionment.

Ms. Berglin introduced—

S.F. No. 1445: A bill for an act relating to taxation; extending the duration of the property tax targeting credit; limiting its availability to non-agricultural homesteads in cities having a population of 10,000 or more; amending Minnesota Statutes 1980, Section 290A.04, Subdivision 2c.

Referred to the Committee on Taxes and Tax Laws.

Ms. Berglin introduced—

S.F. No. 1446: A bill for an act relating to taxation; providing an urban homestead property tax credit; providing state reimbursement to local units of government; appropriating funds; proposing new law coded in Minnesota Statutes, Chapter 273.

Referred to the Committee on Taxes and Tax Laws.

RECESS

Mr. Moe, R.D. moved that the Senate do now recess until 7:45 p.m. The motion prevailed.

The hour of 7:45 p.m. having arrived, the President called the Senate to order.

CALL OF THE SENATE

Mr. Nelson imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

MEMBERS EXCUSED

Mr. Olhoft was excused from the Session of today from 5:00 to 6:15 p.m. Mr. Hughes was excused from the Session of today from 5:45 to 6:15 p.m. Mrs. Kronebusch was excused from this evening's Session at 10:00 p.m.

MOTIONS AND RESOLUTIONS - CONTINUED**CONFIRMATION**

Mr. Hughes moved that the report from the Committee on Education, reported May 15, 1981, pertaining to appointments, be taken from the table. The motion prevailed.

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

Mr. Hughes moved that in accordance with the report from the Committee on Education, reported May 15, 1981, the Senate, having given its advice, do now consent to and confirm the appointments of:

COUNCIL ON QUALITY EDUCATION

Patt Hobbs, Route 3, Box 80, Hutchinson, McLeod County, effective March 31, 1980, for a term expiring the first Monday in January, 1984.

Lucille E. Lackore, Glenhaven, R.R. 2, Winona, Winona County, effective March 31, 1980, for a term expiring the first Monday in January, 1984.

Judith Roy, P.O. Box 53, Red Lake, Beltrami County, effective March 31, 1980, for a term expiring the first Monday in January, 1984.

The motion prevailed. So the appointments were confirmed.

MOTIONS AND RESOLUTIONS - CONTINUED**SUSPENSION OF RULES**

Mr. Stumpf moved that the rules of the Senate be so far suspended that H. F. No. 321, No. 2 on General Orders, be made a Special Order for immediate consideration. The motion prevailed.

SPECIAL ORDER

H. F. No. 321: A bill for an act relating to the city of St. Paul; authorizing the

issuance of a license for the sale of intoxicating liquor at Town Square Park.

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 40 and nays 7, as follows:

Those who voted in the affirmative were:

Ashbach	Davis	Kronebusch	Penny	Stern
Bang	Dicklich	Langseth	Peterson, R. W.	Stokowski
Berg	Dieterich	Lantry	Petty	Stumpf
Bernhagen	Engler	Lessard	Pillsbury	Tennessen
Bertram	Frank	Lindgren	Ramstad	Ulland
Brataas	Hughes	Luther	Rued	Vega
Dahl	Humphrey	Merriam	Setzepfandt	Wegener
Davies	Kamrath	Moe, D. M.	Sieloff	Willet

Those who voted in the negative were:

Chmielewski	Menning	Peterson, D. L.	Renneke	Schmitz
Frederickson	Olthoff			

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Davies moved that S. F. No. 64 be taken from the table. The motion prevailed.

SUSPENSION OF RULES

Mr. Davies moved that the rules of the Senate be so far suspended that S. F. No. 64 be made a Special Order for immediate consideration. The motion prevailed.

SPECIAL ORDER

S. F. No. 64: A bill for an act relating to no-fault automobile insurance; increasing basic economic loss benefits; increasing the weekly maximums for certain first-party benefits; clarifying legislative intent concerning stacking of insurance policies; coordinating the priority of applicability of security for payment of certain benefits; increasing residual liability benefits; increasing certain uninsured benefits; establishing tort threshold limitations on uninsured motorist coverage; providing mandatory underinsured motorist coverage; amending Minnesota Statutes 1980, Sections 65B.44, Subdivisions 1, 3, 6, and 7; 65B.47, Subdivision 2, and by adding subdivisions; and 65B.49, Subdivisions 3 and 4, and by adding a subdivision.

Mr. Davies moved to amend S.F. No. 64 as follows:

Page 5, line 4, delete "\$40,000" and insert "\$35,000"

Page 5, line 6, delete "\$80,000" and insert "\$70,000"

Page 6, line 11, delete "\$40,000" and insert "\$35,000"

Page 6, line 13, delete "\$80,000" and insert "\$70,000"

Page 7, after line 26, insert:

"Sec. 11. Minnesota Statutes 1980, Section 65B.51, Subdivision 3, is amended to read:

Subd. 3. [LIMITATION OF DAMAGES FOR NON-ECONOMIC DETRIMENT.] In an action described in subdivision 1, no person shall recover damages for non-economic detriment unless:

(a) The sum of the following exceeds ~~\$4,000~~ \$8,000:

(1) Reasonable medical expense benefits paid, payable or payable but for any applicable deductible, plus

(2) The value of free medical or surgical care or ordinary and necessary nursing services performed by a relative of the injured person or a member of his household, plus

(3) The amount by which the value of reimbursable medical services or products exceeds the amount of benefit paid, payable, or payable but for an applicable deductible for those services or products if the injured person was charged less than the average reasonable amount charged in this state for similar services or products, minus

(4) The amount of medical expense benefits paid, payable, or payable but for an applicable deductible for diagnostic X-rays and for a procedure or treatment for rehabilitation and not for remedial purposes or a course of rehabilitative occupational training; or

(b) the injury results in:

(1) permanent disfigurement;

(2) permanent injury;

(3) death; or

(4) disability for 60 days or more.

(c) For the purposes of clause (a) evidence of the reasonable value of medical services and products shall be admissible in any action brought in this state.

For the purposes of this subdivision disability means the inability to engage in substantially all of the injured person's usual and customary daily activities."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 11, after the semicolon, insert "increasing certain limitation of damages;"

Page 1, line 14, delete the second "and"

Page 1, line 15, before the period, insert "and 65B.51, Subdivision 3"

The motion prevailed. So the amendment was adopted.

S. F. No. 64: A bill for an act relating to no-fault automobile insurance; increasing basic economic loss benefits; increasing the weekly maximums for certain first-party benefits; clarifying legislative intent concerning stacking of insurance policies; coordinating the priority of applicability of security for payment of certain benefits; increasing residual liability benefits; increasing

certain uninsured benefits; establishing tort threshold limitations on uninsured motorist coverage; providing mandatory underinsured motorist coverage; increasing certain limitation of damages; amending Minnesota Statutes 1980, Sections 65B.44, Subdivisions 1, 3, 6, and 7; 65B.47, Subdivision 2, and by adding subdivisions; 65B.49, Subdivisions 3 and 4, and by adding a subdivision; and 65B.51, Subdivision 3.

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

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

The roll was called, and there were yeas 36 and nays 21, as follows:

Those who voted in the affirmative were:

Ashbach	Dieterich	Merriam	Pillsbury	Stern
Bang	Engler	Moe, D. M.	Ramstad	Taylor
Benson	Frank	Moe, R. D.	Renneke	Tennessee
Bernhagen	Frederick	Nelson	Schmitz	Ulland
Brataas	Frederickson	Olhoft	Setzepfandt	
Chmielewski	Hanson	Pehler	Sikorski	
Dahl	Lessard	Peterson, R. W.	Solon	
Davies	Luther	Petty	Spear	

Those who voted in the negative were:

Bertram	Kroening	Menning	Sieloff	Willet
Davis	Kronebusch	Penny	Stokowski	
Hughes	Langseth	Peterson, D. L.	Stumpf	
Kamrath	Lantry	Purfeerst	Vega	
Knoll	Lindgren	Rued	Wegener	

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

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Penny moved that S. F. No. 513 be taken from the table. The motion prevailed.

S. F. No. 513: A bill for an act relating to interest; clarifying the usury exemption on certain loans; increasing rates of interest on loans for business and agricultural transactions and loans made by agricultural credit corporations; removing certain deficiencies and ambiguities; amending Minnesota Statutes 1980, Sections 334.01, Subdivision 2; 334.011, Subdivision 1; and 334.061.

CONCURRENCE AND REPASSAGE

Mr. Penny moved that the Senate concur in the amendments by the House to S. F. No. 513 and that the bill be placed on its repassage as amended.

Mr. Frank moved that the Senate do not concur in the amendments by the House to S. F. No. 513, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House.

CALL OF THE SENATE

Mr. Frank imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

The question recurred on the motion of Mr. Frank.

The question was taken on the adoption of the motion.

Mr. Penny moved that those not voting be excused from voting. The motion prevailed.

The roll was called, and there were yeas 22 and nays 37, as follows:

Those who voted in the affirmative were:

Berglin	Hughes	Lantry	Moe, R. D.	Waldorf
Davis	Humphrey	Luther	Sikorski	Willet
Dicklich	Johnson	Menning	Stokowski	
Dieterich	Knoil	Merriam	Stumpf	
Frank	Kroening	Moe, D. M.	Vega	

Those who voted in the negative were:

Ashbach	Davies	Lessard	Pillsbury	Stern
Bang	Engler	Lindgren	Purfeerst	Taylor
Benson	Frederick	Nelson	Ramstad	Tennessen
Berg	Frederickson	Olhoft	Renneke	Ulland
Bernhagen	Kamrath	Penny	Schmitz	Wegener
Bertram	Knutson	Peterson, C. C.	Setzepfandt	
Brataas	Kronebusch	Peterson, R. W.	Sieloff	
Dahl	Langseth	Petty	Solon	

The motion did not prevail.

The question recurred on the motion of Mr. Penny.

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 35 and nays 22, as follows:

Those who voted in the affirmative were:

Ashbach	Dahl	Knutson	Peterson, R. W.	Setzepfandt
Bang	Davies	Langseth	Petty	Sieloff
Benson	Engler	Lindgren	Pillsbury	Solon
Berg	Frederick	Nelson	Purfeerst	Stern
Bernhagen	Frederickson	Olhoft	Ramstad	Taylor
Bertram	Hanson	Penny	Renneke	Ulland
Brataas	Kamrath	Peterson, C. C.	Schmitz	Wegener

Those who voted in the negative were:

Berglin	Hughes	Kronebusch	Moe, R. D.	Vega
Davis	Humphrey	Luther	Peterson, D. L.	Willet
Dicklich	Johnson	Menning	Sikorski	
Dieterich	Knoil	Merriam	Stokowski	
Frank	Kroening	Moe, D. M.	Stumpf	

The motion prevailed.

S. F. No. 513 was read the third time, as amended by the House, and placed on its repassage.

Mr. Penny moved that those not voting be excused from voting. The motion prevailed.

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

The roll was called, and there were yeas 41 and nays 21, as follows:

Those who voted in the affirmative were:

Ashbach	Engler	Lessard	Pillsbury	Stern
Bang	Frederick	Lindgren	Purfeerst	Taylor
Benson	Frederickson	Nelson	Ramstad	Tennessee
Berg	Hanson	Olhoft	Renneke	Ulland
Bernhagen	Kamrath	Pehler	Schmitz	Wegener
Bertram	Knoll	Penny	Setzepfandt	
Brataas	Knutson	Peterson, C. C.	Sieloff	
Dahl	Kronebusch	Peterson, R. W.	Solon	
Davies	Langseth	Petty	Spear	

Those who voted in the negative were:

Berglin	Hughes	Luther	Peterson, D. L.	Willet
Davis	Humphrey	Menning	Sikorski	
Dicklich	Johnson	Merriam	Stokowski	
Dieterich	Kroening	Moe, D. M.	Stumpf	
Frank	Lantry	Moe, R. D.	Vega	

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

SPECIAL ORDER

Pursuant to Rule 10, Mr. Moe, R. D., Chairman of the Subcommittee on Bill Scheduling, designated S. F. No. 775 a Special Order to be heard immediately.

S. F. No. 775: A bill for an act relating to health; providing for home health services through the community health services act; amending Minnesota Statutes 1980, Sections 144A.51, by adding a subdivision; 144A.52, Subdivision 3; 144A.53; 144A.54, Subdivision 1; 145.914, Subdivision 2; 145.915, by adding a subdivision; 145.918, by adding subdivisions; 145.919; and 145.95, Subdivision 5.

Mr. Nelson moved to amend S. F. No. 775 as follows:

Pages 4 and 5, delete section 5

Page 7, after line 29, insert:

"Sec. 10. [APPROPRIATION.]

Subdivision 1. [COMMUNITY HEALTH SERVICES.] The sum of \$500,000 is appropriated from the general fund to the commissioner of health for the biennium ending June 30, 1983, for the purposes of funding community health services.

Notwithstanding the provisions of a law enacted at the 1981 regular session styled as House File No. 1446, Article I, Section 7, payment under the community health services act for each county, city, group of counties or group of cities shall be based upon the formula in effect in fiscal year 1981, using the most recent data, or the amount received in 1981, whichever is greater. If the appropriation is insufficient to fully fund each governmental unit, the insufficiency shall be prorated among the governmental units.

Subd. 2. [HOME HEALTH GRANTS.] The sum of \$500,000 is appropriated from the general fund to the commissioner of health for the biennium ending June 30, 1983, for the purpose of funding special grants for home based services for elderly and adult physically impaired persons in accordance with the provisions of Minnesota Statutes 1980, Section 145.95. The commissioner shall require the recipient of a special grant for home based services for

elderly and adult physically impaired persons to provide 25 percent of the cost of the services."

Page 7, line 31, delete "Section 10 is" and insert "Sections 1 to 10 are"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "appropriating money;"

Page 1, line 6, delete "145.914, Subdivision 2;"

The motion prevailed. So the amendment was adopted.

S. F. No. 775: A bill for an act relating to health; providing for home health services through the community health services act; appropriating money; amending Minnesota Statutes 1980, Sections 144A.51, by adding a subdivision; 144A.52, Subdivision 3; 144A.53; 144A.54, Subdivision 1; 145.915, by adding a subdivision; 145.918, by adding subdivisions; 145.919; and 145.95, Subdivision 5.

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

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

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Dieterich	Lantry	Peterson, D. L.	Spear
Bang	Engler	Lessard	Peterson, R. W.	Stern
Belanger	Frank	Lindgren	Petty	Stokowski
Benson	Frederick	Luther	Pillsbury	Stumpf
Berg	Frederickson	Menning	Purfeerst	Taylor
Berglin	Hanson	Merriam	Ramstad	Tennessen
Bernhagen	Hughes	Moe, D. M.	Renneke	Ulland
Bertram	Humphrey	Moe, R. D.	Rued	Vega
Brataas	Kamrath	Nelson	Schmitz	Waldorf
Dahl	Knoll	Olhoft	Setzepfandt	Wegener
Davies	Knutson	Pehler	Sieloff	Willett
Davis	Kroening	Penny	Sikorski	
Dicklich	Langseth	Peterson, C. C.	Solon	

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

RECESS

Mr. Moe, R.D. moved that the Senate do now recess subject to the call of the President. The motion prevailed.

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

APPOINTMENTS

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

H. F. No. 353: Messrs. Menning, Penny, Luther, Sieloff and Renneke.

H. F. No. 3: Messrs. Tennessen, Knutson and Spear.

S. F. No. 452: Messrs. Spear, Moe, D.M. and Dahl.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

APPOINTMENTS

Mr. Moe, R.D. from the Subcommittee on Committees recommends that the following Senator be and he hereby is appointed as a conferee on:

H. F. No. 1474: Mr. Renneke, replacing Mr. Keefe.

Mr. Moe, R.D. moved that the foregoing appointment be approved. The motion prevailed.

SPECIAL ORDER

Pursuant to Rule 10, Mr. Moe, R.D., Chairman of the Subcommittee on Bill Scheduling, designated H. F. No. 295 a Special Order to be heard immediately.

H. F. No. 295: A bill for an act relating to retirement; providing post retirement annuity or benefit increases for certain retired or disabled public employees; appropriating funds.

Mr. Peterson, C.C. moved to amend H.F. No. 295, as amended pursuant to Rule 49, adopted by the Senate May 15, 1981, as follows:

(The text of the amended House File is identical to S.F. No. 355.)

Page 3, after line 17, insert:

"Sec. 3. Minnesota Statutes 1980, Section 11A.08, Subdivision 1, is amended to read:

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, the commissioner of finance and the executive directors of each of the following: the Minnesota state retirement system, the public employees retirement association, the teachers retirement association and the Minneapolis municipal employees retirement fund, and a retiree currently receiving benefits from the post-retirement investment fund who shall be appointed by the governor for a four year term.

Sec. 4. Minnesota Statutes 1980, Section 422A.05, Subdivision 2c, is amended to read:

Subd. 2c. The board may invest funds in investments authorized by section 11A.24. 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. 5. Minnesota Statutes 1980, Section 422A.06, Subdivision 1, is amended to read:

Subdivision 1. [CREATION; DIVISIONS OF FUND.] For the purposes of sections 422A.01 to 422A.25 there shall be a 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 post-retirement investment~~ 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 the amount as the retirement board may charge against income from investments as the cost of handling the investments of the retirement fund.

Sec. 6. Minnesota Statutes 1980, 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 the fund the amounts required to be transferred to the Minnesota ~~adjustable fixed-benefit post-retirement investment~~ 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. 7. Minnesota Statutes 1980, Section 422A.06, Subdivision 4, is amended to read:

Subd. 4. [PARTICIPATION IN THE MINNESOTA ~~ADJUSTABLE FIXED-BENEFIT POST-RETIREMENT INVESTMENT~~ FUND.] The ~~munic-~~

~~the~~ Minneapolis employees retirement fund shall not participate in the Minnesota ~~adjustable fixed-benefit post-retirement adjustment~~ fund. In that fund there shall be deposited the amounts provided in subdivision 5.

Sec. 8. Minnesota Statutes 1980, 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 post-retirement investment~~ 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 statute.

(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 post-retirement investment~~ 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 3-1/2 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 post-retirement investment~~ fund annuities which were in effect on December 31, 1972, in accordance with the mortality assumptions then in effect and at interest assumptions of 3-1/2 percent and five percent. 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 post-retirement investment~~ 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-benefit post-retirement investment~~ fund. Effective January 1, 1974 each participating fund in the Minnesota ~~adjustable fixed-benefit post-retirement investment~~ 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.

(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~~ *post-retirement investment* 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. 9. Minnesota Statutes 1980, 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 the established date for the transfer of assets and liabilities specified in section 6, 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 retirement benefit fund shall be governed by the applicable laws governing the accounting and audit procedures, investment, actuarial requirements, calculation and payment of post-retirement benefit adjustments, discharge of any deficiency in the assets of the fund when compared to the actuarially determined required reserves, and other applicable operations and procedures regarding the Minnesota post-retirement investment fund established pursuant to section 11A.18, and any legal or administrative interpretations of those laws of the state board of investment, the legal advisor to the board of investment and the executive director of the state board of investment. The retirement board shall also establish a deferred yield adjustment account within this fund.

Sec. 10. [TEMPORARY PROVISION: TRANSFER OF CERTAIN ASSETS AND LIABILITIES.]

The state board of investment shall transfer the assets and obligations in the Minnesota post-retirement investment fund attributable to the retired members of the Minneapolis employees retirement fund to the retirement benefit fund established pursuant to section 7.

Notwithstanding any law to the contrary, the transfer of assets and obligations shall be based on the proportional share of required reserves of the Minnesota post-retirement investment fund attributable by Minneapolis retirement fund retired members as determined by the actuary for the legislative commission on pensions and retirement as of the established date for the transfer of assets and liabilities. The proportional share of required reserves attributable to retired members of the Minneapolis employees retirement fund shall determine the proportional share of the assets of the Minnesota post-retirement investment fund to be transferred based on market value.

As of the established date for the transfer of assets and liabilities, the

liability for the payment of all annuities to annuitants of the Minneapolis employees retirement fund previously payable from the Minnesota post-retirement investment fund shall be transferred to the retirement benefit fund of the Minneapolis employees retirement fund and shall no longer be the liability of the Minnesota post-retirement investment fund.

At the close of the business day as of the established date for the transfer of assets and liabilities there shall be transferred to the Minneapolis retirement fund board title to assets equal to not less than 90 percent of the total market value of the estimated Minneapolis employees retirement fund participation in the Minnesota post-retirement investment fund. All market valuations shall be determined by a nationally recognized firm known to perform such evaluations which is mutually agreed upon by the state board of investment and Minneapolis retirement fund board. The transfer shall be in securities which are mutually agreeable to both parties and in cash, and shall be representative of the portfolio composition on the established date for the transfer of assets and liabilities. The remainder of the transfer shall be in cash with interest at the average rate earned in the Minnesota post-retirement investment fund short term portfolio from the established date for the transfer of assets and liabilities to the actual date of transfer after the actuarial determination of the proportional share of reserves attributable to retired members of the Minneapolis retirement fund is calculated by the actuary for the legislative commission on pensions and retirement. The proportional share of the deferred yield adjustment account of the Minnesota post-retirement investment fund attributable to the Minneapolis employees retirement fund as of the established date for the transfer of assets and liabilities shall be credited to the deferred yield adjustment account in the retirement benefit fund.

Upon the completion of the transfer authorized by this section, the legislative auditor shall conduct an examination of the transfer proceedings, prepare specific findings as to the propriety of fiscal correctness thereof and transmit these findings to the state board of investment, Minneapolis retirement fund board, the board of directors of the Minnesota state retirement system, the board of trustees of the public employees retirement association, the board of trustees of the teachers retirement association, the committee on public employees and pensions of the senate, the committee on governmental operations of the house of representatives, and the legislative commission on pensions and retirement. If the legislative auditor finds any error in the transfer proceedings, the parties to the transfer shall immediately cause the error to be corrected.

The Minneapolis retirement fund board shall pay any costs arising from the transfer authorized by this subdivision if the costs would not have been incurred in the absence of the transfer.

The established date for the transfer of assets and liabilities shall be June 30, 1981, unless the state board of investment and the Minneapolis employees retirement fund board jointly agree that the transfer authorized by this section should not be consummated on that date, whereupon the established date for the transfer of assets and liabilities shall be June 30, 1982.

Sec. 11. [REVISOR OF STATUTES; INSTRUCTIONS.]

In the next edition of Minnesota Statutes, the revisor of statutes shall remove the term "Minneapolis municipal employee retirement fund" wherever it appears and replace it with the term "Minneapolis employees retirement fund".

Sec. 12. [REPEALER.]

Minnesota Statutes 1980, Section 422A.05, Subdivision 3, is repealed."

Page 3, line 19, delete "This act is" and insert "Sections 1 and 2 are"

Page 3, line 19, after the period, insert "Sections 3 to 12 are effective upon compliance with Minnesota Statutes, Section 645.021."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "removing the director from the state board investment advisory council; changing the investment authority of the fund; the Minneapolis employees retirement fund; establishing a new retirement benefit fund therein; transferring assets from the Minnesota post-retirement investment fund;"

Page 1, line 4, before the period, insert "amending Minnesota Statutes 1980, Sections 11A.08, Subdivision 1; 422A.05, Subdivision 2c; and 422A.06, Subdivisions 1, 3, 4, 5, and by adding a subdivision; repealing Minnesota Statutes 1980, Section 422A.05, Subdivision 3"

The motion prevailed. So the amendment was adopted.

Mr. Moe, D. M. moved to amend H.F. No. 295, as amended pursuant to Rule 49, adopted by the Senate May 15, 1981, as follows:

(The text of the amended House File is identical to S.F. No. 355.)

Page 1, after line 6, insert:

"Section 1. Minnesota Statutes 1980, Section 11A.09, is amended to read:

11A.09 [STANDARD OF CARE INVESTMENT STANDARDS:]

Subdivision 1. [POLICY.] The legislature finds that moneys under the jurisdiction of the state board must be invested so that the total portfolio is designed to earn the highest possible return consistent with the need to preserve the security of the moneys. Further, the legislature finds that the moneys under the board's jurisdiction offer the potential for helping to improve Minnesota's economic condition and thereby directly benefiting the beneficiaries of the moneys and other citizens of the state. Further, the legislature finds that the investment of money solely to benefit the interests of retirement plan participants and beneficiaries represents a highly desirable goal. In recognition of these findings, the legislature adopts the following standards of care to govern the investment of moneys under the jurisdiction of the board.

Subd. 2. [PRUDENT PERSON.] 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 11A.01 to 11A.25 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.

Subd. 3. [ADDITIONAL STANDARDS.] In selecting among those investment opportunities which meet the prudent person standard defined in subdivision 2 and any other applicable statutory limitations, the board and its staff shall to the extent possible select those investments which have one or more of the following characteristics:

(a) the investment is in a business concern that does business in the state, which employs Minnesota residents, which has the potential for job expansion in the state, and which will contribute to the state's economic well-being;

(b) the investment will tend to improve the economic viability of a small city or urban neighborhood in the state;

(c) the investment will increase the supply of housing in the state, especially housing intended for low and moderate income persons;

(d) the investment will result in the development of alternative energy systems in Minnesota, will encourage energy conservation in the state or will reduce the state's dependence on outside energy sources;

(e) the investment will assist in the preservation and promotion of family farming or small business in the state; and

(f) the investment will serve other goals as identified by the board as being in the economic interests of beneficiaries of moneys invested by the board and the citizens of the state.

In applying the standards contained in this subdivision, the state board and its staff shall take no actions which they construe to be not in the best interests of retirement plan participants and beneficiaries.

Subd. 4. [EXEMPTION.] The standards and prohibitions contained in subdivision 3 shall not apply in respect to the investments of the post-retirement investment fund established in section 11A.18."

Renumber the sections in sequence

Page 3, line 19, delete "This act is" and insert "Sections 2 and 3 are"

Amend the title as follows:

Page 1, line 2, delete "retirement;" and insert "the management of certain public funds; establishing standards for the selection of certain prudent invest-

ments by the state board of investment;"

Page 1, line 4, after "funds" insert "; amending Minnesota Statutes 1980, Section 11A.09"

The motion prevailed. So the amendment was adopted.

CALL OF THE SENATE

Mr. Peterson, C. C. imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

RECONSIDERATION

Having voted on the prevailing side, Mr. Berg moved that the vote whereby the Moe, D. M. amendment to H. F. No. 295 was adopted on May 16, 1981, be now reconsidered. The motion prevailed.

The question recurred on the Moe, D. M. amendment. Mr. Moe, D. M. withdrew his amendment.

RECONSIDERATION

Having voted on the prevailing side, Mr. Berg moved that the vote whereby the Peterson, C. C. amendment to H. F. No. 295 was adopted on May 16, 1981, be now reconsidered. The motion did not prevail.

H. F. No. 295 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 63 and nays 2, as follows:

Those who voted in the affirmative were:

Ashbach	Dieterich	Langseth	Peterson, D. L.	Spear
Bang	Engler	Lantry	Peterson, R. W.	Stern
Belanger	Frank	Lessard	Petty	Stokowski
Benson	Frederick	Lindgren	Pillsbury	Stumpf
Berg	Frederickson	Luther	Purfeerst	Taylor
Berglin	Hanson	Menning	Ramstad	Tennessen
Bernhagen	Hughes	Merriam	Renneke	Ulland
Bertram	Humphrey	Moe, R. D.	Rued	Vega
Brataas	Kamrath	Nelson	Schmitz	Waldorf
Chmielewski	Knoll	Olhoft	Setzepfandt	Wegener
Dahl	Knutson	Pehler	Sieloff	Willet
Davies	Kroening	Penny	Sikorski	
Davis	Kronebusch	Peterson, C. C.	Solon	

Messrs. Dicklich and Moe, D. M. voted in the negative.

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

SPECIAL ORDER

Pursuant to Rule 10, Mr. Moe, R. D., Chairman of the Subcommittee on Bill Scheduling, designated H. F. No. 968 a Special Order to be heard immediately.

H. F. No. 968: A bill for an act relating to penalties for crimes; authorizing penalty assessments for peace officers training; appropriating money; amend-

ing Minnesota Statutes 1980, Sections 171.16, Subdivision 3; 588.01, Subdivision 3; 626.845, Subdivision 1; proposing new law coded in Minnesota Statutes, Chapter 626.

Mr. Hanson moved to amend H. F. No. 968, as amended pursuant to Rule 49, adopted by the Senate May 15, 1981, as follows:

(The text of the amended House File is identical to S. F. No. 807.)

Page 1, line 10, delete "ACCOUNT"

Page 2, line 1, delete "*petty misdemeanors or*"

Page 2, line 2, delete "*for criminal or*"

Page 2, line 2, after "*offenses*" insert "*in violation of chapters 168 to 173 or equivalent local ordinances*"

Page 3, line 6, before "*but*" insert "*with designation of its origin as a penalty assessment.*"

Page 6, line 13, after "*the*" insert "*board of*"

Page 6, line 13, after "*officers*" insert "*standards and*"

Page 6, line 13, delete "*account created in*" and insert "*to be expended pursuant to*"

Page 6, line 16, after "*Section*" delete "*1*" and insert "*2*"

Page 6, line 17, delete "*petty misdemeanors, criminal offenses, and*"

Amend the title as follows:

Page 1, line 2, delete "*crimes*" and insert "*traffic offenses*"

The motion prevailed. So the amendment was adopted.

H. F. No. 968 was read the third time, as amended, and placed on its final passage.

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

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

Those who voted in the affirmative were:

Ashbach	Davis	Knutson	Moe, R. D.	Sieloff
Belanger	Dicklich	Kroening	Olhoft	Sikorski
Benson	Dieterich	Kronebusch	Peterson, D. L.	Spear
Berg	Engler	Langseth	Peterson, R. W.	Stern
Bernhagen	Frank	Lantry	Petty	Stokowski
Bertram	Hanson	Lessard	Pillsbury	Taylor
Brataas	Hughes	Lindgren	Purfeerst	Tennessen
Chmielewski	Humphrey	Luther	Ramstad	Vega
Dahl	Kamrath	Menning	Schmitz	Waldorf
Davies	Knoll	Merriam	Seizepfandt	Wegener

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

SPECIAL ORDER

Pursuant to Rule 10, Mr. Moe, R. D., Chairman of the Subcommittee on Bill Scheduling, designated H. F. No. 247 a Special Order to be heard

immediately.

H. F. No. 247: A bill for an act relating to retirement; authorizing certain persons to purchase prior service credit; authorizing certain persons to change retirement coverage for future services.

Mr. Spear moved to amend H. F. No. 247, as amended by the Committee on Finance, adopted by the Senate May 8, 1981, as follows:

Page 4, line 1, delete "and"

Page 4, line 6, delete the period and insert "and"

The motion prevailed. So the amendment was adopted.

H. F. No. 247 was read the third time, as amended, and placed on its final passage.

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

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

Those who voted in the affirmative were:

Ashbach	Davis	Kroening	Olhoft	Sikorski
Belanger	Dicklich	Kronebusch	Peterson, D. L.	Spear
Benson	Dieterich	Langseth	Peterson, R. W.	Stern
Berg	Engler	Lantry	Petty	Stokowski
Bernhagen	Frank	Lessard	Pillsbury	Taylor
Bertram	Hughes	Lindgren	Purfeerst	Tennessee
Brataas	Humphrey	Luther	Ramstad	Vega
Chmielewski	Kamrath	Menning	Schmitz	Waldorf
Dahl	Knoll	Merriam	Setzepfandt	Wegener
Davies	Knutson	Moe, R. D.	Sieloff	

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

SPECIAL ORDER

Pursuant to Rule 10, Mr. Moe, R. D., Chairman of the Subcommittee on Bill Scheduling, designated S. F. No. 1164 a Special Order to be heard immediately.

S. F. No. 1164: A bill for an act relating to crimes; providing for review of sentences imposed prior to adoption of sentencing guidelines; proposing new law coded in Minnesota Statutes, Chapter 244.

CALL OF THE SENATE

Mr. Spear imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Mr. Spear moved to amend S.F. No. 1164 as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1980, Section 590.01, is amended by adding a subdivision to read:

Subd. 3. A person who has been convicted and sentenced for a crime may institute a proceeding applying for relief under this chapter upon the ground that a significant change in substantive or procedural law has occurred which, in the interest of justice, should be applied retrospectively, including re-sen-

tencing under subsequently enacted law."

Amend the title as follows:

Page 1, line 2, delete "review" and insert "application for relief"

Page 1, delete lines 4 and 5 and insert "amending Minnesota Statutes 1980, Section 590.01, by adding a subdivision."

The motion prevailed. So the amendment was adopted.

S. F. No. 1164: A bill for an act relating to crimes; providing for application for relief of sentences imposed prior to adoption of sentencing guidelines; amending Minnesota Statutes 1980, Section 590.01, by adding a subdivision.

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

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

The roll was called, and there were yeas 42 and nays 13, as follows:

Those who voted in the affirmative were:

Ashbach	Hughes	Lessard	Pillsbury	Taylor
Benson	Humphrey	Lindgren	Ramstad	Tennesen
Bernhagen	Kamrath	Luther	Schmitz	Ulland
Brataas	Knoll	Merriam	Setzepfandt	Vega
Chmielewski	Knutson	Moe, D. M.	Sikorski	Waldorf
Davies	Kroening	Moe, R. D.	Solon	Wegener
Dicklich	Kronebusch	Olhoft	Spear	
Dieterich	Langseth	Peterson, R. W.	Stern	
Frederick	Lantry	Petty	Stokowski	

Those who voted in the negative were:

Bang	Bertram	Engler	Menning	Sieloff
Belanger	Dahl	Frank	Peterson, D. L.	
Berg	Davis	Frederickson	Rued	

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

SPECIAL ORDER

Pursuant to Rule 10, Mr. Moe, R. D., Chairman of the Subcommittee on Bill Scheduling, designated H. F. No. 305 a Special Order to be heard immediately.

H. F. No. 305: A bill for an act relating to crimes; specifying the crime of theft of services; amending Minnesota Statutes 1980, Section 609.52, Subdivisions 1 and 2.

Mr. Luther moved to amend H. F. No. 305, the unofficial engrossment, as follows:

Page 4, line 13, after "goods" insert "or services"

Page 4, lines 25 to 29, reinstate the stricken language and delete the new language

Page 5, delete lines 2 to 5

The motion prevailed. So the amendment was adopted.

Mr. Luther moved that H. F. No. 305 be laid on the table. The motion

prevailed.

SPECIAL ORDER

Pursuant to Rule 10, Mr. Moe, R.D., Chairman of the Subcommittee on Bill Scheduling, designated H. F. No. 591 a Special Order to be heard immediately.

H. F. No. 591: A bill for an act relating to the city of St. Paul; repealing the people mover act; repealing Minnesota Statutes 1980, Chapter 458B.

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 49 and nays 2, as follows:

Those who voted in the affirmative were:

Benson	Engler	Langseth	Pehler	Sikorski
Berg	Frank	Lantry	Penny	Solon
Bernhagen	Frederick	Lessard	Peterson, C. C.	Spear
Bertram	Frederickson	Lindgren	Peterson, D. L.	Stern
Chmielewski	Hughes	Luther	Peterson, R. W.	Stokowski
Dahl	Humphrey	Menning	Petty	Taylor
Davies	Kamrath	Merriam	Ramstad	Tennesen
Davis	Knutson	Moe, D. M.	Renneke	Ulland
Dicklich	Kroening	Moe, R. D.	Schmitz	Vega
Dieterich	Kronebusch	Olhoft	Sieloff	

Mrs. Brataas and Mr. Rued voted in the negative.

So the bill passed and its title was agreed to.

Mr. Luther moved that H. F. No. 305 be taken from the table. The motion prevailed.

H. F. No. 305: A bill for an act relating to crimes; specifying the crime of theft of services; amending Minnesota Statutes 1980, Section 609.52, Subdivisions 1 and 2.

Mr. Davies moved to amend H. F. No. 305, the unofficial engrossment, as follows:

Page 7, line 4, after "(13)" insert "*Except as provided in paragraph (12),*"

The motion prevailed. So the amendment was adopted.

H. F. No. 305 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 50 and nays 1, as follows:

Those who voted in the affirmative were:

Bang	Davis	Kroening	Olhoft	Sieloff
Belanger	Dieterich	Kronebusch	Pehler	Sikorski
Benson	Engler	Lantry	Peterson, D. L.	Spear
Berg	Frank	Lessard	Peterson, R. W.	Stern
Bernhagen	Frederick	Lindgren	Petty	Stokowski
Bertram	Frederickson	Luther	Ramstad	Taylor
Brataas	Hughes	Menning	Renneke	Tennesen
Chmielewski	Humphrey	Merriam	Rued	Ulland
Dahl	Kamrath	Moe, D. M.	Schmitz	Vega
Davies	Knutson	Moe, R. D.	Setzepfandt	Waldorf

Mr. Dicklich voted in the negative.

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

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate revert to the Order of Business of Messages From the House. The motion prevailed.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce 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. 1265: A bill for an act relating to the Ramsey-Washington Metro watershed district; permitting deferral of special assessments in certain cases of hardship.

Senate File No. 1265 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 16, 1981

CONCURRENCE AND REPASSAGE

Mrs. Lantry moved that the Senate concur in the amendments by the House to S. F. No. 1265 and that the bill be placed on its repassage as amended. The motion prevailed.

S. F. No. 1265 was read the third time, as amended by the House, and placed on its repassage.

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

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

Those who voted in the affirmative were:

Belanger	Engler	Lantry	Peterson, R.W.	Stokowski
Benson	Frank	Lessard	Petty	Taylor
Berg	Frederick	Lindgren	Purfeerst	Tennessen
Bernhagen	Frederickson	Menning	Ramstad	Ulland
Bertram	Hughes	Merriam	Renneke	Vega
Brataas	Humphrey	Moe, D.M.	Rued	Waldorf
Chmielewski	Kamrath	Moe, R.D.	Schmitz	Wegener
Dahl	Knutson	Nelson	Sieloff	
Davis	Kroening	Olhoft	Sikorski	
Dicklich	Kronebusch	Penny	Spear	
Dieterich	Langseth	Peterson, D.L.	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 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. 476: A bill for an act relating to crimes; providing the court with

discretion to require a presentence investigation in the case of felony convictions; requiring a presentence sentencing worksheet for a defendant convicted of a felony; amending Minnesota Statutes 1980, Section 609.115, Subdivision 1.

Senate File No. 476 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 16, 1981

CONCURRENCE AND REPASSAGE

Mr. Ramstad moved that the Senate concur in the amendments by the House to S. F. No. 476 and that the bill be placed on its repassage as amended. The motion prevailed.

S. F. No. 476 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 55 and nays 0, as follows:

Those who voted in the affirmative were:

Belanger	Dieterich	Kronebusch	Olhoft	Sieloff
Benson	Engler	Langseth	Penny	Sikorski
Berg	Frank	Lantry	Peterson, D. L.	Spear
Bernhagen	Frederick	Lessard	Peterson, R. W.	Stern
Bertram	Frederickson	Lindgren	Petty	Stokowski
Brataas	Hughes	Luther	Purfeerst	Taylor
Chmielewski	Humphrey	Menning	Ramstad	Tennessee
Dahl	Kamrath	Merriam	Renneke	Ulland
Davies	Knoll	Moe, D. M.	Rued	Vega
Davis	Knutson	Moe, R. D.	Schmitz	Waldorf
Dicklich	Kroening	Nelson	Setzepfandt	Willet

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

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

S. F. No. 393: A bill for an act relating to taxation; providing that property owned by certain senior citizens' groups be exempt from taxation; amending Minnesota Statutes 1980, Section 272.02, Subdivision 1.

Senate File No. 393 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 16, 1981

CONCURRENCE AND REPASSAGE

Mr. Menning moved that the Senate concur in the amendments by the House to S. F. No. 393 and that the bill be placed on its repassage as amended. The

motion prevailed.

S. F. No. 393 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:

Belanger	Engler	Lantry	Peterson, D. L.	Stern
Benson	Frank	Lessard	Peterson, R. W.	Stokowski
Berg	Frederick	Lindgren	Petty	Taylor
Bernhagen	Frederickson	Luther	Purfeerst	Tennessee
Bertram	Hughes	Menning	Ramstad	Ulland
Brataas	Humphrey	Merriam	Renneke	Vega
Chmielewski	Kamrath	Moe, D. M.	Rued	Waldorf
Dahl	Knoll	Moe, R. D.	Schmitz	Wegener
Davies	Knutson	Nelson	Setzepfandt	Willer
Davis	Kroening	Olhoft	Sieloff	
Dicklich	Kronebusch	Penny	Sikorski	
Dieterich	Langseth	Peterson, C. C.	Spear	

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

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

S. F. No. 975: A bill for an act relating to commerce; eliminating the state override of the federal usury preemption on certain loans; repealing Minnesota Statutes 1980, Section 47.203.

Senate File No. 975 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 16, 1981

CONCURRENCE AND REPASSAGE

Mr. Peterson, C.C. moved that the Senate concur in the amendments by the House to S. F. No. 975 and that the bill be placed on its repassage as amended. The motion prevailed.

S. F. No. 975: A bill for an act relating to financial institutions; authorizing the making and purchasing of cooperative apartment loans; prescribing certain requirements and conditions applicable to these loans; redefining the term "graduated payment home loan" to include cooperative apartment loans; eliminating the state override of the federal usury preemption on certain loans; amending Minnesota Statutes 1980, Sections 47.20, Subdivisions 1, 2, 3, 4, 4a, 7, and 13a; and 47.201; repealing Minnesota Statutes 1980, Section 47.203.

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 36 and nays 22, as follows:

Those who voted in the affirmative were:

Bang	Frederick	Menning	Petty	Taylor
Belanger	Humphrey	Moe, D. M.	Purfeerst	Tennessee
Benson	Knoll	Moe, R. D.	Ramstad	Ulland
Bernhagen	Knutson	Nelson	Renneke	Wegener
Brataas	Kronebusch	Olhoft	Schmitz	
Dahl	Langseth	Penny	Setzepfandt	
Davies	Lessard	Peterson, C. C.	Solon	
Engler	Lindgren	Peterson, R. W.	Stern	

Those who voted in the negative were:

Bertram	Frank	Lantry	Sieloff	Waldorf
Chmielewski	Frederickson	Luther	Sikorski	Willet
Davis	Hughes	Merriam	Spear	
Dicklich	Kamrath	Peterson, D. L.	Stokowski	
Dieterich	Kroening	Rued	Vega	

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

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

S. F. No. 1084: A bill for an act relating to intoxicating liquor; hours for Sunday sale; amending Minnesota Statutes 1980, Section 340.14, Subdivision 5.

Senate File No. 1084 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 16, 1981

CONCURRENCE AND REPASSAGE

Mr. Stern moved that the Senate concur in the amendments by the House to S. F. No. 1084 and that the bill be placed on its repassage as amended. The motion prevailed.

S. F. No. 1084 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 30 and nays 29, as follows:

Those who voted in the affirmative were:

Bang	Engler	Lantry	Nelson	Sikorski
Belanger	Frederick	Lessard	Peterson, R. W.	Solon
Brataas	Hughes	Luther	Petty	Spear
Dahl	Knoll	Merriam	Ramstad	Stokowski
Dicklich	Knutson	Moe, D. M.	Schmitz	Tennessee
Dieterich	Kronebusch	Moe, R. D.	Setzepfandt	Wegener

Those who voted in the negative were:

Benson	Davis	Langseth	Peterson, D. L.	Taylor
Berg	Frank	Lindgren	Purfeerst	Ulland
Bernhagen	Frederickson	Menning	Renneke	Vega
Bertram	Humphrey	Olhoft	Rued	Waldorf
Chmielewski	Kamrath	Penny	Sieloff	Willet
Davies	Kroening	Peterson, C. C.	Stern	

So the bill, as amended, failed to pass.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

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

S. F. No. 537: A bill for an act relating to highway traffic regulations; increasing the length of certain vehicles; establishing permit fees for certain oversize vehicles; directing the commissioner of transportation to conduct certain studies; clarifying the operation of certain combination vehicles; amending Minnesota Statutes 1980, Sections 169.81, Subdivision 3; 169.86, Subdivision 5, and by adding a subdivision; and 169.861.

Senate File No. 537 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 16, 1981

Mr. Purfeerst moved that the Senate do not concur in the amendments by the House to S. F. No. 537, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 1143:

H. F. No. 1143: A bill for an act relating to taxation; income; property tax refund; adopting federal income tax limitations on the deduction of interest; authorizing the commissioner to provide a short form income tax return; clarifying the computation of the low income alternative tax; providing for the computation of net operating loss; allowing for disclosures of information between the department of economic security and the commissioner of revenue regarding unemployment compensation; allowing for disclosures of information between the commissioner of revenue and the commissioner of public welfare; allowing the commissioner to obtain information required on returns by court action; allowing the commissioner to designate the places returns may be filed; conforming information return requirements to the federal requirements; requiring certain statements to be furnished to subjects of information returns; providing that payment of taxes of a decedent shall be made by successors in the absence of a personal representative; adopting the federal requirements for withholding and reporting on tips; clarifying the liability of employers in regard to withholding tax returns; conforming information requirements of withholding statements to federal law; allowing notification of an employer by the department that a withholding certificate is invalid; providing for verification of withholding exemptions and appeal by the claimant; allowing certain spouses to file a joint property tax return claim; conforming estimated tax requirements with federal law; altering the computation of the corporate estimated tax; conforming tax exempt provisions with federal law; altering filing requirements for corporations; allowing the commissioner to adjust the computation of federal adjusted gross income in certain circumstances; specifying or increasing interest rates on certain delinquent taxes and

penalties; abolishing an election relating to the lump sum distribution tax; providing penalties; providing the computation of basis; providing for the liability of taxes due on a combined return; amending Minnesota Statutes 1980, Sections 10A.31, Subdivision 1; 15.1691, Subdivision 2; 268.12, Subdivision 12; 290.05; 290.06, Subdivision 3d; 290.067, Subdivision 2; 290.09, Subdivision 3; 290.095, Subdivisions 1, 9, and by adding a subdivision; 290.14; 290.37, Subdivision 1; 290.39, Subdivisions 1, 2, and by adding a subdivision; 290.41, Subdivision 2, and by adding subdivisions; 290.42; 290.43; 290.44; 290.46; 290.53, Subdivisions 3 and 3a; 290.61; 290.92, Subdivisions 1, 2a, 7, 15, and by adding subdivisions; 290.93, Subdivisions 1, 3 and 10; 290.931, Subdivision 1; 290.934, Subdivisions 4 and 5; 290A.03, Subdivision 8; 290A.07; 290A.08; 290A.11, Subdivisions 2 and 4; repealing Minnesota Statutes 1980, Section 290.032, Subdivision 4.

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

Brandl, Begich and Dempsey have been appointed as such committee on the part of the House.

House File No. 1143 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 16, 1981

Mr. Dieterich moved that the Senate accede to the request of the House for a Conference Committee on H. F. No. 1143, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 338 and repassed said bill in accordance with the report of the Committee, so adopted.

S. F. No. 338: A bill for an act relating to public employment; eliminating certain part time adult vocational education instructors from the definition of public employee; amending Minnesota Statutes 1980, Section 179.63, Subdivision 7.

Senate File No. 338 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 16, 1981

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. 359 and repassed said bill in accordance with the report of the Committee, so adopted.

S. F. No. 359: A bill for an act relating to workers' compensation; expressing the intent of the legislature with respect to chapter 176; transferring compensation judges from the workers' compensation division to a separate divi-

sion within the office of administrative hearings; making the workers' compensation court of appeals a separate and independent agency with appellate review powers; providing for a discount assumption with respect to calculating reserves for claims of insurance companies; authorizing the commissioner of insurance to initiate a rate hearing; permitting benefit payment amounts to be rounded to whole dollars; clarifying certain provisions with respect to the Minnesota workers' compensation reinsurance association; redefining the maximum reinsurance liability limitation as a prefunded limit; providing for a survey of closed compensation claims and an examination of insurer reserving practices; removing the exemption of political subdivisions from the definitions of insurer and insurance in chapter 79; providing for the design and implementation of an improved records and information system in the department of labor and industry; providing for the addition of rehabilitation and computer support personnel in the department of labor and industry; permitting the commissioner of labor and industry to negotiate with his counterparts in other states in jurisdictional disputes; establishing a preponderance of the evidence standard in factual determinations under chapter 176; granting subrogation rights to the special compensation fund in third party actions; providing for lump sum permanent partial disability payments on return to work and weekly payments if an employee could but does not return to work; limiting attorneys' fees to only disputed portions of claims; providing a procedure for settlement offers by any litigant in a disputed claim proceeding; requiring claimants' attorneys to provide their clients with written information regarding fees under chapter 176; providing a penalty for attorneys who violate the fee provisions of chapter 176; providing a ten year limitation on death benefits to dependents; providing rehabilitation opportunities for dependent surviving spouses; requiring the commissioner of labor and industry to adopt disability degree schedules; prohibiting combined workers' compensation and government survivor benefits from exceeding the limit provided in chapter 176; providing a new formula for determining assessments against employers and insurers for the special compensation fund; providing for payment of attorneys' fees in disputes over supplementary benefits; requiring the commissioner of labor and industry to utilize a medical fee schedule; requiring the commissioner to review the quality of care and other aspects of medical delivery under workers' compensation; establishing a medical panel to resolve disputes over medical disability; providing for payment of wage replacement or disability payments by a group insurer under appropriate provisions pending resolution of liability dispute over compensability; providing for early payment of benefits and a penalty for delay; requiring benefit payments to be made by immediately negotiable instrument; providing that notices of discontinuance of benefit payments be sent directly to claimant by insurer; providing that division legal assistance employees be transferred to the attorney general; delaying first benefit adjustment under chapter 176 for 52 weeks from date of injury; mandating an insurance rate reduction by an amount reflecting cost savings due to benefit and administrative changes; providing penalties; appropriating money; amending Minnesota Statutes 1980, Sections 10A.01, Subdivision 18; 15.052, Subdivisions 1, 2, 3, 4, and 5; 15A.083, by adding a subdivision; 43.064; 60A.15, Subdivision 1; 60C.04; 60C.09, Subdivision 2; 79.01, Subdivisions 2 and 3; 79.071, Subdivision 1, and by adding subdivisions; 79.34, Subdivisions 1 and 2; 79.35; 79.36; 175.007; 175.11, Subdivision 1; 175.14; 175.17; 176.021, Subdivisions 1 and 3, and by adding subdivisions; 176.041, by adding a subdivision; 176.061, Subdivisions 1, 3, 4, 5, 6 and 7; 176.081, Subdivisions 1, 2, 3, 4, and 6, and by adding subdivisions; 176.101, Subdivision 3; 176.102, by adding a subdivision; 176.105, Subdivision 1; 176.111, Subdivisions 6, 7, 8, 10 and 21, and by adding a

subdivision; 176.131, Subdivision 10; 176.132, Subdivision 2; 176.133; 176.136; 176.161, Subdivision 1; 176.181, Subdivisions 2 and 3, and by adding a subdivision; 176.191; 176.221; 176.225, by adding a subdivision; 176.231, Subdivisions 2 and 7; 176.241, Subdivisions 1, 2 and 3; 176.261; 176.291; 176.301, Subdivision 1; 176.305; 176.311; 176.331; 176.341, Subdivision 1; 176.351; 176.371; 176.381; 176.391; 176.401; 176.411, Subdivisions 1 and 2; 176.421, Subdivisions 1, 4, 5, 6 and 7; 176.431, Subdivision 1; 176.441, Subdivision 1; 176.461; 176.471, Subdivisions 3, 5, 6 and 8; 176.491; 176.511, Subdivision 1; 176.521, Subdivisions 1 and 2; 176.531, Subdivision 3; 176.645; and 179.74, Subdivision 4; proposing new law coded as Minnesota Statutes, Chapter 175A; and proposing new law coded in Minnesota Statutes, Chapters 79 and 176; repealing Minnesota Statutes 1980, Sections 79.071, Subdivisions 1, 2, 3, 4, 5, 6, and 7; 79.072; 79.073; 79.074, Subdivision 1; 79.075 to 79.09; 79.11 to 79.21; 79.22, Subdivision 1; 79.221 to 79.33; 175.006, Subdivisions 1a and 2; 175.0061; 175.09; 176.111, Subdivision 11; and 176.441, Subdivision 2; reenacting Laws 1980, Chapter 556, Section 12.

Senate File No. 359 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 16, 1981

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. 400 and repassed said bill in accordance with the report of the Committee, so adopted.

S. F. No. 400: A bill for an act relating to peace officers; changing the designation of part-time officers and reserve officers; removing the hours of work limitation for certain part-time peace officers; permitting reserve peace officers to carry firearms in emergencies; providing for two members to the peace officers standards and training board from among elected city officials; authorizing the board to provide for training for certain part-time peace officers; authorizing the board to obtain criminal history data; amending Minnesota Statutes 1980, Sections 214.10, Subdivision 7; 626.84; 626.841; 626.843, Subdivision 1; 626.845, Subdivision 1; 626.846, Subdivisions 1 and 2; 626.8461; 626.8462; 626.8463; 626.8464; 626.8465, Subdivisions 1 and 2; 626.851, Subdivision 1; and 626.852.

Senate File No. 400 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 16, 1981

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. 886 and repassed said bill in accordance with the report of the Committee, so adopted.

S. F. No. 886: A bill for an act relating to health; prohibiting disciplinary action against a physician who administers dimethyl sulfoxide under certain conditions; regulating the sale of dimethyl sulfoxide; proposing new law coded in Minnesota Statutes, Chapters 147 and 151.

Senate File No. 886 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 16, 1981

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. 964 and repassed said bill in accordance with the report of the Committee, so adopted.

S. F. No. 964: A bill for an act relating to human rights; requiring certain state contractors to have affirmative action plans approved by the commissioner of human rights; amending Minnesota Statutes 1980, Section 363.073; proposing new law coded in Minnesota Statutes, Chapter 363.

Senate File No. 964 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 16, 1981

MOTIONS AND RESOLUTIONS - CONTINUED

S. F. No. 31 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S. F. NO. 31

A bill for an act relating to transportation; restricting the powers of the commissioner of transportation with respect to a certain trunk highway within the city of St. Paul; proposing new law coded in Minnesota Statutes, Chapter 161.

May 16, 1981

The Honorable Jack Davies
President of the Senate

The Honorable Harry A. Sieben, Jr.
Speaker of the House of Representatives

We, the undersigned conferees for S. F. No. 31, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S.F. No. 31 be amended as follows:

Page 1, after line 15, insert:

"Nothing in this section shall be construed to restrict the study of options under consideration regarding the completion of Interstate 35E."

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

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

House Conferees: (Signed) Walter R. Hanson, Randy C. Kelly

Mr. Dieterich moved that the foregoing recommendations and Conference Committee Report on S. F. No. 31 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. 31 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 58 and nays 0, as follows:

Those who voted in the affirmative were:

Belanger	Engler	Lantry	Peterson, D. L.	Spear
Benson	Frank	Lessard	Peterson, R. W.	Stern
Berg	Frederick	Lindgren	Petty	Stokowski
Bernhagen	Frederickson	Luther	Purfeerst	Taylor
Bertram	Hughes	Menning	Ramstad	Tennessee
Brataas	Humphrey	Merriam	Renneke	Ulland
Chmielewski	Kamrath	Moe, D. M.	Rued	Vega
Dahl	Knoll	Moe, R. D.	Schmitz	Waldorf
Davies	Knutson	Nelson	Setzepfandt	Wegener
Davis	Kroening	Olhoft	Sieloff	Willet
Dicklich	Kronebusch	Penny	Sikorski	
Dieterich	Langseth	Peterson, C. C.	Solon	

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

MEMBERS EXCUSED

Mr. Pillsbury was excused from this evening's Session at 11:50 p.m. Mr. Willet was excused from this evening's Session from 11:30 p.m. to 12:30 a.m.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Moe, R.D. moved that the Senate do now adjourn until 9:00 a.m., Monday, May 18, 1981. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate