

THIRTY-THIRD DAY

St. Paul, Minnesota, Monday, April 11, 1983

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

Prayer was offered by the Chaplain, Rev. Thomas Nielsen.

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

Adkins	Dicklich	Knaak	Nelson	Samuelson
Anderson	Diessner	Knutson	Novak	Schmitz
Belanger	Dieterich	Kroening	Olson	Solon
Benson	Frank	Laidig	Pehler	Spear
Berg	Frederick	Langseth	Peterson, C.C.	Storm
Berglin	Frederickson	Lantry	Peterson, D.C.	Stumpf
Bernhagen	Freeman	Lessard	Peterson, R.W.	Taylor
Bertram	Hughes	Luther	Petty	Ulland
Brataas	Isackson	McQuaid	Pogemiller	Vega
Chmielewski	Johnson, D.E.	Mehrkins	Purfeerst	Waldorf
Dahl	Johnson, D.J.	Merriam	Ramstad	Wegscheid
Davis	Jude	Moe, D.M.	Reichgott	Willet
DeCramer	Kamrath	Moe, R.D.	Renneke	

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

Mrs. Kronebusch, Messrs. Peterson, D.L. and Sieloff were excused from the Session of today. Mr. Peterson, C.C. was excused from the Session of today from 10:15 a.m. to 12:00 noon. Mr. Davis was excused from the Session of today until 11:00 a.m. Mr. Lessard was excused from the Session of today until 12:30 p.m. Mr. Solon was excused from the Session of today until 2:45 p.m.

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. 101, 233 and 552.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 7, 1983

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 26:

H.F. No. 26: A bill for an act relating to commerce; consumer protection; requiring the repair, refund, or replacement of new motor vehicles under certain circumstances; proposing new law coded in Minnesota Statutes, chapter 325F.

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

Begich, Sarna and Marsh have been appointed as such committee on the part of the House.

House File No. 26 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 April 7, 1983

Mr. Moe, R.D. moved that H.F. No. 26 be laid on the table. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 189, 588, 769, 482, 511, 553, 564, 581, 601, 667, 673, 389, 409, 508 and 567.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 7, 1983

FIRST READING OF HOUSE BILLS

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

H.F. No. 189: A bill for an act relating to energy; requiring certain conservation investments by regulated utilities; amending Minnesota Statutes 1982, sections 116J.09; 116J.18, subdivision 1a; 216A.07, subdivision 3; 216B.03; 216B.16, subdivision 1; and 216B.241, subdivisions 1, 2, and 3.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 411, now on General Orders.

H.F. No. 588: A bill for an act relating to the North Suburban Hospital District; providing for adjustment of terms of office; changing filing dates for candidates for the hospital board.

Referred to the Committee on Health and Human Services.

H.F. No. 769: A bill for an act relating to metropolitan government; extending the time for design selection for noise suppression equipment at the international airport; amending Minnesota Statutes 1982, section 473.608, subdivision 20.

Referred to the Committee on Transportation.

H.F. No. 482: A bill for an act relating to open meetings; requiring avail-

ability of certain materials; prescribing penalties; amending Minnesota Statutes 1982, section 471.705, subdivision 2; and by adding a subdivision.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 495, now on the Calendar.

H.F. No. 511: A bill for an act relating to labor; creating an exemption to the minimum wage overtime provisions for silo builders; amending Minnesota Statutes 1982, section 177.25, by adding a subdivision.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 392, now on General Orders.

H.F. No. 553: A bill for an act relating to elections; changing certain election procedures, requirements, and time limits; amending Minnesota Statutes 1982, sections 201.071, subdivision 1; 203B.02, subdivision 1; 203B.04, subdivision 1; 203B.21, subdivision 2; 204B.12, subdivision 1; 204B.19, subdivision 1; 204B.21, subdivision 1; 204B.27, subdivision 1; 204B.34, subdivision 1; 204B.35, subdivision 4; 204C.03, by adding a subdivision; 204C.05, subdivision 1; 204C.32, subdivision 2; 204C.33, subdivision 2; 204D.06; 204D.11, subdivisions 1 and 5; 204D.14; 204D.15, subdivision 2; 205.03, subdivisions 1 and 3; and 209.02, subdivision 4; repealing Minnesota Statutes 1982, sections 201.091, subdivisions 6 and 7; 204B.12, subdivision 2; and 204B.36, subdivision 5.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 446, now on General Orders.

H.F. No. 564: A bill for an act relating to the state board of investment; modifying the procedures for purchase and sale of securities; clarifying the membership of the investment advisory council; abolishing certain restrictions on stock investments; modifying procedures for the mortality adjustments for the post-retirement investment fund; authorizing additional investment alternatives; amending Minnesota Statutes 1982, sections 11A.07, subdivision 4; 11A.08, subdivision 1, as amended; 11A.17, subdivision 4; 11A.18, subdivisions 5, 9, and 11; 11A.24, subdivisions 1, 5, and 6.

Referred to the Committee on Governmental Operations.

H.F. No. 581: A bill for an act relating to counties; providing for the formal extinction of certain abandoned interests in county highways; amending Minnesota Statutes 1982, section 163.11, by adding a subdivision.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 546, now on the Calendar.

H.F. No. 601: A bill for an act relating to retirement; miscellaneous amendments to the law governing the public employees retirement association; amending Minnesota Statutes 1982, sections 353.27, subdivisions 4 and 12; 353.28, subdivision 5; 353.29, subdivisions 6 and 8; 353.32, subdivision 1; 353.33, subdivision 5; and 353.34, subdivision 2.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 436.

H.F. No. 667: A bill for an act relating to employment; providing leaves of

absence for adoptive parents; proposing new law coded in Minnesota Statutes, chapter 181.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 702.

H.F. No. 673: A bill for an act relating to elections; changing eligibility requirements and compensation for election judges; permitting time off from work for election judges; amending Minnesota Statutes 1982, sections 204B.19, subdivision 2; and 204B.31; proposing new law coded in Minnesota Statutes, chapter 204B.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 842.

H.F. No. 389: A bill for an act relating to drivers licenses; requiring a licensee to add birth date to the signature; amending Minnesota Statutes 1982, section 171.07, subdivision 1.

Referred to the Committee on Transportation.

H.F. No. 409: A bill for an act relating to liquor; restrictions upon joint purchases and volume discounts at wholesale; amending Minnesota Statutes 1982, sections 340.408; and 340.983.

Referred to the Committee on Public Utilities and State Regulated Industries.

H.F. No. 508: A bill for an act relating to insurance; homeowner's; requiring notices of cancelation to be written in easily readable and understandable language; amending Minnesota Statutes 1982, section 65A.29, subdivision 4.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 714, now on the Calendar.

H.F. No. 567: A bill for an act relating to St. Louis County; providing that the county board set the fees for tax search certificates; amending Laws 1955, chapter 633, section 1, subdivision 2, as amended.

Referred to the Committee on Local and Urban Government.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted, with the exception of the reports on S.F. Nos. 429 and 893. The motion prevailed.

Mr. Solon from the Committee on Economic Development and Commerce, to which was referred

S.F. No. 368: A bill for an act relating to insurance; requiring insurance agents to maintain trust accounts; requiring certain disclosures in personal sales contacts; requiring disclosure of certain limitations on medicare supplement insurance coverage; prohibiting the sale of more than two medicare supplement insurance policies to an individual; requiring copies of medicare supplement and life insurance applications to be provided to applicants; requiring applications for medicare supplement insurance to list

health and accident insurance already maintained by applicant; providing rulemaking authority; imposing civil penalties for certain violations; providing a criminal penalty; amending Minnesota Statutes 1982, sections 60A.17, subdivisions 1, 1a, and 6c, and by adding subdivisions; 62A.31, subdivision 1; 62A.39; 62A.42; proposing new law coded in Minnesota Statutes, chapters 61A and 62A.

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

Page 3, line 4, delete "\$100" and insert "\$500"

Pages 11 and 12, delete section 4 and insert:

"Sec. 4. Minnesota Statutes 1982, section 62A.17, is amended by adding a subdivision to read:

Subd. 7. [PREMIUMS.] All premiums or other monies received by an agent from an insured or applicant for insurance must be forthwith deposited directly in a business checking, savings, or other similar account maintained by the agent or his agency, unless the monies are forwarded directly to the designated insurer."

Page 13, after line 14, insert:

"(c) No agent or person acting for an agent shall make any communication to a potential buyer that indicates or gives the impression that the agent is acting on behalf of a government agency."

Sec. 6. Minnesota Statutes 1982, section 60A.17, is amended by adding a subdivision to read:

Subd. 19. [PRIVACY OF CLIENT.] Except as otherwise provided by law, no insurance agent may disclose nor cause to be disclosed to any other person the identity of a person insured through the agent without the consent of the insured."

Page 13, line 19, after "a" insert "signed and completed" and delete "provided"

Page 13, line 20, delete "to" and insert "left with"

Page 15, line 36, delete "PERSONS WITH MORE THAN ONE POLICY" and insert "DUPLICATE COVERAGE PROHIBITED"

Page 16, line 2, delete "two or more such" and insert "one"

Page 16, lines 3 and 15, delete "plans" and insert "plan"

Page 16, line 3, after "effect" insert ";; however, an agent may sell a replacement plan in accordance with section 62A.40, provided that the second plan is not made effective any sooner than necessary to provide continuous benefits for preexisting conditions"

Page 16, line 7, before "An" insert "Notwithstanding the provisions of section 62A.38,"

Page 16, line 8, delete "two or more such policies" and insert "one plan"

Page 16, line 9, after "effect" insert " , except as permitted in subdivision 1,"

Page 16, line 14, delete "*two or more*" and insert "*one*"

Page 16, line 15, after the comma insert "*except as permitted in subdivision 1,*"

Page 16, line 23, delete "*except mass*"

Page 16, delete line 24

Page 16, line 25, delete "*subdivision 2,*"

Page 16, line 26, after "*a*" insert "*signed and completed*" and delete "*provided to*" and insert "*left with*"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 17, after the first semicolon, insert "*62A.17, by adding a subdivision;*"

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

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

S.F. No. 83: A bill for an act relating to human rights; prohibiting unfair discriminatory practices on the basis of affectional or sexual orientation; amending Minnesota Statutes 1982, sections 363.01, subdivision 24, and by adding a subdivision; 363.02, subdivision 2; 363.03, subdivisions 1, 2, 3, 4, 5, 7, and 8; 363.05, subdivision 1; 363.11; 363.115; and 363.12, subdivision 1.

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

Page 2, after line 1, insert:

"Sec. 3. Minnesota Statutes 1982, section 363.02, subdivision 1, is amended to read:

Subdivision 1. [EMPLOYMENT.] The provisions of section 363.03, subdivision 1, shall not apply to:

(1) The employment of any individual

(a) by his parent, grandparent, spouse, child, or grandchild, or

(b) in the domestic service of any person;

(2) A religious or fraternal corporation, association, or society, with respect to qualifications based on religion or affectional or sexual orientation, when religion or affectional or sexual orientation shall be a bona fide occupational qualification for employment;

(3) The employment of one person in place of another, standing by itself, shall not be evidence of an unfair discriminatory practice;

(4) An age restriction applied uniformly and without exception to all individuals established by a bona fide apprenticeship program established pursuant to chapter 178, which limits participation to persons who enter the

program prior to some specified age and the trade involved in the program predominantly involves heavy physical labor or work on high structures. Neither shall the operation of a bona fide seniority system which mandates differences in such things as wages, hiring priorities, lay-off priorities, vacation credit, and job assignments based on seniority, be a violation of the age discrimination provisions of section 363.03, subdivision 1, so long as the operation of such system is not a subterfuge to evade the provisions of chapter 363;

(5) With respect to age discrimination, a practice whereby a labor organization or employer offers or supplies varying insurance benefits or other fringe benefits to members or employees of differing ages, so long as the cost to the labor organization or employer for such benefits is reasonably equivalent for all members or employees;

(6) A restriction imposed by state statute, home rule charter, ordinance, or civil service rule, and applied uniformly and without exception to all individuals, which establishes a maximum age for entry into employment as a peace officer or firefighter.

(7) Nothing in this chapter concerning age discrimination shall be construed to validate or permit age requirements which have a disproportionate impact on persons of any class otherwise protected by section 363.03, subdivision 1 or 5.

It is not an unfair employment practice for an employer, employment agency or labor organization:

(i) to require a person to undergo physical examination for purpose of determining the person's capability to perform available employment; or

(ii) to conduct an investigation as to the person's medical history for the purpose of determining the person's capability to perform available employment; or

(iii) to limit receipt of benefits payable under a fringe benefit plan for disabilities to that period of time which a licensed physician reasonably determines a person is unable to work; or

(iv) to provide special safety considerations for pregnant women involved in tasks which are potentially hazardous to the health of the unborn child, as determined by medical criteria."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, delete the second "subdivision" and insert "subdivisions 1 and"

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

Mr. Hughes from the Committee on Elections and Ethics, to which was referred

S.F. No. 281: A bill for an act relating to elections; changing the date of precinct caucuses to the second Tuesday in March; amending Minnesota

Statutes 1982, section 202A.14, subdivision 1.

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

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1982, section 202A.14, subdivision 1, is amended to read:

Subdivision 1. [TIME AND MANNER OF HOLDING.] At ~~8:00~~ 7:00 p.m. on the ~~fourth~~ *third* Tuesday in ~~February~~ *March* in every state general election year there shall be held for every election precinct a party caucus in the manner provided in sections 202A.14 to 202A.19.

Sec. 2. Minnesota Statutes 1982, section 202A.19, is amended to read:

202A.19 [CAUCUS, SCHOOL SCHEDULE PREEMPTION, EXCUSAL FROM EMPLOYMENT TO ATTEND.]

Subdivision 1. No school board, county board of commissioners, township board, or city council may conduct a meeting after ~~7:00~~ 6:00 p.m. on the day of a major political party precinct caucus.

Subd. 2. Every employee who is entitled to attend a major political party precinct caucus is entitled, after giving the employer at least ten days written notice, to absent himself from his work for the purpose of attending the caucus during the time for which the caucus is scheduled without penalty or deduction from his salary or wages on account of his absence other than a deduction in salary for the time he absented himself from his employment.

Subd. 3. *The University of Minnesota may not schedule an event which will take place after 6:00 p.m. on the day of a major political party precinct caucus unless permission to do so has been received from the board of regents.* No state university may schedule an event which will take place after ~~7:00~~ 6:00 p.m. on the day of a major political party precinct caucus unless permission to do so has been received from the state university board. No community college may schedule an event which will take place after ~~7:00~~ 6:00 p.m. on the day of a major political party precinct caucus unless permission to do so has been received from the state board for community colleges.

Subd. 4. No school official may deny the use of a public school building for the holding of a major political party precinct caucus if the school office has received a written request for the use of the school building 30 days or more prior to the date of the caucus.

Subd. 5. No public elementary or secondary school may hold a school sponsored event after ~~7:00~~ 6:00 p.m. on the day of a major political party precinct caucus.

Subd. 6. *No state agency, board, commission, department or committee shall conduct a public meeting after 6:00 p.m. on the day of a major political party precinct caucus.*”

Delete the title and insert:

“A bill for an act relating to elections; changing the date and time of precinct caucuses; prohibiting various government, school and university

events on caucus night; amending Minnesota Statutes 1982, sections 202A.14, subdivision 1; and 202A.19."

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

Mr. Hughes from the Committee on Elections and Ethics, to which was referred

S.F. No. 603: A bill for an act relating to elections; providing for the preparation and availability of correct precinct lists; amending Minnesota Statutes 1982, section 201.091, subdivision 2.

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

Page 1, line 11, delete "*and on August 15 of each year when*"

Page 1, line 12, delete "*there is not a*" and strike "state general election"

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

Mr. Hughes from the Committee on Elections and Ethics, to which was referred

S.F. No. 170: A bill for an act relating to elections; providing for experimental mail elections; proposing new law coded in Minnesota Statutes, chapter 204B.

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

Mr. Hughes from the Committee on Elections and Ethics, to which was referred

S.F. No. 175: A bill for an act relating to elections; including certain transportation expenses in the list of noncampaign disbursements; amending Minnesota Statutes 1982, section 10A.01, subdivision 10c.

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

Mr. Hughes from the Committee on Elections and Ethics, to which was referred

S.F. No. 831: A bill for an act relating to elections; adopting court ordered congressional redistricting plan with minor adjustments; proposing new law coded in Minnesota Statutes, chapter 2; repealing Minnesota Statutes 1982, sections 2.741 to 2.811.

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

Mr. Hughes from the Committee on Elections and Ethics, to which was referred

S.F. No. 842: A bill for an act relating to elections; changing eligibility

requirements and compensation for election judges; permitting time off from work for election judges; amending Minnesota Statutes 1982, sections 204B.19, subdivision 2; and 204B.31; proposing new law coded in Minnesota Statutes, chapter 204B.

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

Mr. Dieterich from the Committee on Public Utilities and State Regulated Industries, to which was referred

S.F. No. 56: A bill for an act relating to liquor; adding definitions; converting references to metric system; authorizing prosecution as a gross misdemeanor for certain unlawful sales; authorizing exclusive liquor stores to sell additional alcohol-related products; prohibiting clubs from serving guests; authorizing first class cities to issue an unlimited number of off-sale licenses; increasing certain license fees; defining ownership interest for purposes of license transfers; prohibiting licenses for certain felons; prohibiting retailers from wholesaling; prohibiting licensees from allowing unlawful possession or consumption on their premises; changing minimum age of bar employees to 19; making unlawful manufacture or transportation a felony; eliminating liquor control enforcement power over druggists; repealing certain obsolete provisions; making technical changes; amending Minnesota Statutes 1982, sections 340.001; 340.02, subdivision 7; 340.031; 340.033; 340.07, subdivision 13; 340.11, subdivisions 11, 13, and 14; 340.13, subdivisions 9 and 12, and by adding subdivisions; 340.14, subdivisions 1a and 2; 340.19; 340.403; repealing Minnesota Statutes 1982, sections 340.13, subdivision 11; 340.73; 340.74; 340.76; 340.77; 340.78; 340.81; 340.83; 340.88; 340.89; 340.90; 340.91; 340.92; and 340.93.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1982, section 340.001, is amended to read:

340.001 [DEFINITIONS.]

Subdivision 1. [TERMS.] For the purposes of the non-intoxicating malt liquor act, except where the context otherwise requires, the terms defined in this section ~~shall~~ have the meanings given them.

Subd. 2. [NON-INTOXICATING MALT LIQUOR.] ~~Non-intoxicating malt liquor is any~~ "Non-intoxicating malt liquor" means malt liquor containing not less than one-half of one percent alcohol by volume nor more than 3.2 percent alcohol by weight and is a fermented malt beverage for the purposes of ~~Minnesota Statutes 1965~~, sections 340.44 to 340.56.

Subd. 3. [COMMISSIONER.] ~~Commissioner~~ is "Commissioner" means the commissioner of public safety.

Subd. 4. [ON-SALE.] "On-sale" ~~is any~~ means a sale of non-intoxicating malt liquor to be consumed on the licensed premises.

Subd. 5. [OFF-SALE.] "Off-sale" is ~~any~~ means a sale of non-intoxicating malt liquor to be consumed off the premises.

Subd. 6. [MUNICIPALITY.] ~~Municipality~~ "Municipality" means ~~any~~ a home rule charter or statutory city.

Subd. 7. [BONA FIDE CLUB.] A ~~bona fide club~~ is "Bona fide club" means an organization organized for social purposes, business purposes, ~~for~~ intellectual improvement, or ~~for~~ the promotion of sports ~~where~~ if the serving of non-intoxicating malt liquor is incidental to and not the main purpose of the club.

Subd. 8. [AFFILIATE; SUBSIDIARY COMPANY.] An ~~affiliate or subsidiary company~~ "Affiliate" or "subsidiary company" of a manufacturer ~~shall be one~~ means a company in which the manufacturer or its stockholders ~~own~~ owns a majority of the stock.

Subd. 9. [PERSON.] "Person" has the meaning given by section 645.44, subdivision 7.

Sec. 2. Minnesota Statutes 1982, section 340.02, subdivision 7, is amended to read:

Subd. 7. [MANUFACTURER; SALES.] A manufacturer of non-intoxicating malt liquor may, without a license, sell ~~such liquor~~ it to ~~licensed dealers holding either "on-sale" an on-sale or "off-sale" licenses off-sale licensee,~~ and may sell and deliver ~~the same~~ in quantities of not less than ~~two gallons; direct 7.57 liters directly to consumers a consumer at their homes his home.~~

Sec. 3. Minnesota Statutes 1982, section 340.031, is amended to read:

340.031 [MANUFACTURERS AND WHOLESALERS.]

Subdivision 1. [OWNERSHIP INTERESTS IN RETAIL LICENSEE PROHIBITED.] No manufacturer or wholesaler of non-intoxicating malt liquor ~~shall~~ may have ~~any~~ an ownership; ~~in whole or in part; interest in the business of any an on-sale licensee holding an "on-sale" license.~~

Subd. 2. [COMPENSATION TO RETAIL LICENSEES PROHIBITED; EXCEPTIONS.] (a) No manufacturer or wholesaler ~~shall~~ may, directly or indirectly, or through a subsidiary or affiliate corporation, or by ~~any~~ an officer, director, stockholder, or partner thereof, give, lend, or advance ~~any~~ money, credit, or ~~any~~ other thing of value to ~~any~~ a retailer or to ~~any~~ a person for the benefit or relief of ~~any~~ a retailer; ~~nor~~ furnish; give, lend, ~~lease,~~ or sell to ~~any~~ person a retailer any furniture, fixtures, fittings, or equipment; ~~nor shall any manufacturer or wholesaler, directly or indirectly, have any interest in, or pay for, any a retail licenses license, or advance, furnish, lend, or give money for the payment of to pay retail license fees or any expense expenses incident to the obtaining of a retail license; nor shall any manufacturer or wholesaler or become bound in any manner, directly or indirectly, for the repayment of any to repay a loan made to, or the fulfillment of any fulfill a financial obligation of, any a retailer; except that manufacturers or wholesalers may.~~

(a) (b) Notwithstanding paragraph (a), a manufacturer or wholesaler may: (1) furnish, ~~lend,~~ or ~~rent~~ outside signs to ~~retailers,~~ provided a retailer if the

aggregate cost of ~~such the signs; in the aggregate,~~ furnished, ~~lent, or rented~~ by ~~any the~~ manufacturer or wholesaler to ~~any the~~ retailer ~~shall does not~~ exceed \$100, exclusive of erection, installation, and repair charges; ~~(b) (2)~~ furnish inside signs, miscellaneous advertising matter, and other items to a retailer if the aggregate cost of furnishing these items to the retailer does not exceed, ~~in the aggregate,~~ a cost of \$100 in any a calendar year to ~~any one~~ retailer; ~~(c) (3)~~ furnish or maintain for retailers equipment ~~designed and~~ intended to ~~preserve and~~ maintain the sanitary dispensing of non-intoxicating malt liquors; ~~provided if the expense incurred thereby does not exceed the sum of \$100 per tap per calendar year, no part of which shall may be paid in cash to any a retailer;~~ ~~(d) lease or (4)~~ lend to the owner of the premises, or to ~~any a retailer now or hereafter~~ occupying the premises, ~~any~~ furniture, fixtures, fittings, and equipment actually located on ~~said the~~ premises on April 16, 1943.

~~Any (c) A retailer who shall be is a party to any a violation of this subdivision or who shall receive receives the benefits thereof shall be is equally guilty of a the violation of the provisions thereof and shall be is subject to the penalty hereinafter provided in paragraph (d).~~

~~Any (d) A person who shall violate violates the provisions of this subdivision is guilty of a gross misdemeanor, and each violation shall constitute is a separate offense.~~

Subd. 3. [TYING ARRANGEMENTS PROHIBITED.] No manufacturer or wholesaler ~~shall hereafter may~~, directly or indirectly, or through a subsidiary or affiliate corporation, or by ~~any an~~ officer, director, stockholder, or partner, enter into ~~any an~~ agreement, oral or written, whether or not ~~incorporated contained in any a~~ chattel mortgage, conditional sales contract, bill of sale, lease land contract, mortgage, deed, or other instrument, wherein ~~and whereby any the~~ retailer is required to purchase the non-intoxicating malt liquor of ~~any the~~ manufacturer to the exclusion, in whole or in part, of the products of other manufacturers.

Subd. 4. [CERTAIN SALES PROHIBITED.] A manufacturer may sell non-intoxicating malt liquor only to a municipal liquor store, a government instrumentality, a holder of a license issued under the non-intoxicating malt liquor act, or a person described in section 340.02, subdivision 10. A sale to any other person by a manufacturer or wholesaler is a gross misdemeanor.

Sec. 4. Minnesota Statutes 1982, section 340.033, is amended to read:

340.033 [SIZE OF CONTAINERS.]

Notwithstanding any law ~~or regulation of any state department~~ to the contrary, non-intoxicating malt liquors may be sold in containers which contain ~~428 ounces~~ 3.785 liters of ~~such~~ non-intoxicating malt liquor.

Sec. 5. Minnesota Statutes 1982, section 340.07, subdivision 13, is amended to read:

Subd. 13. "Exclusive liquor store" ~~is means~~ an on-sale or off-sale, or combination on-sale and off-sale, establishment used exclusively for the sale of intoxicating liquor at retail and under the control of an individual owner or manager ~~and~~. As an incident thereof, it may also sell cigars, cigarettes, ice, gift cards, all forms of tobacco, ~~products used in the preparation of alcoholic drinks, including glassware,~~ non-intoxicating malt beverages, and soft drinks at retail, and may offer recorded or live entertainment, and make available coin-operated amusement devices. An exclusive liquor

store includes an on-sale or combination on-sale and off-sale establishment operating a restaurant or selling food for consumption on the premises ~~when if~~ authorized by the municipality issuing the license or owning or operating the exclusive liquor store; ~~as the case may be.~~

Sec. 6. Minnesota Statutes 1982, 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 paragraphs~~ (a), (b), (c), and (d).

(a) Except as provided in ~~clauses paragraphs~~ (b), (c), and (d), ~~any a~~ manufacturer shall pay to the state annually a license fee of ~~\$7,500~~ \$10,000, and a fee of ~~\$3,000~~ \$5,000 for each duplicate thereof.

(b) ~~Any~~ A 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 paragraphs~~ (a), (b), and (d), ~~any a~~ wholesaler shall pay to the state annually a license fee of ~~\$7,500~~ \$10,000, and a fee of ~~\$3,000~~ \$5,000 for each duplicate thereof.

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

(e) The maximum license fee for an ~~"off-sale"~~ 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"~~ the off-sale license, will not exceed the sum of ~~\$1,000~~ \$1,500 annually; in all cities of over 10,000 population, except cities of the first class, the maximum license fee for an ~~"off-sale"~~ off-sale license shall be ~~\$200~~ \$300; in all cities with a population between 5,000 and 10,000 the maximum license fee shall be ~~\$150~~ \$225; in all cities of 5,000 population or less, the maximum license fee shall be ~~\$100~~ \$150. All such Off-sale license fees for ~~"off-sale"~~ licenses shall ~~be~~ are payable to the municipalities issuing the license. ~~Where such licenses shall be~~ If a license is issued for less than one year, a fee may be a pro rata share of the annual license fee.

Sec. 7. Minnesota Statutes 1982, section 340.13, subdivision 9, is amended to read:

Subd. 9. [LICENSES TRANSFERABLE.] A license ~~shall may not be~~ nontransferable transferred without the consent of the authority issuing it.

Sec. 8. Minnesota Statutes 1982, section 340.13, subdivision 12, is amended to read:

Subd. 12. [LICENSES; PERSONS ELIGIBLE.] No license ~~shall may be~~ issued to ~~other than a person who~~ (1) is not a citizen of the United States, at least 19 years of age or over who shall be old, and of good moral character and repute; ~~nor to any person who;~~ (2) within five years prior to the application of such for a license has been convicted of any ~~willful~~ willful violation of ~~any a~~ law of the United States or ~~the this~~ state of Minnesota or of ~~any a~~ local ordinance ~~with regard to governing~~ the manufacture, sale, distribution, or possession for sale or distribution of intoxicating liquor; ~~nor to any person whose;~~ or (3) has had an intoxicating liquor license under the intoxicating

~~liquor act shall be~~ revoked for ~~any willful~~ a willful violation of ~~any such those~~ laws or ordinances.

Sec. 9. Minnesota Statutes 1982, section 340.13, is amended by adding a subdivision to read:

Subd. 15. [CERTAIN SALES PROHIBITED.] A manufacturer, wholesaler, distillery, winery, or importer may sell intoxicating liquor only to a municipal liquor store, government instrumentality, or a holder of a license issued under the intoxicating liquor act. A sale to any other person by a manufacturer, wholesaler, distillery, winery, or importer is a gross misdemeanor.

Sec. 10. Minnesota Statutes 1982, section 340.13, is amended by adding a subdivision to read:

Subd. 16. [RETAILERS NOT TO BE WHOLESALERS.] A retail licensee or municipal liquor store may not sell intoxicating liquor to a person for the purpose of resale, or to a person who he has reason to believe intends to resell the liquor, except with the written permission of the commissioner.

Sec. 11. Minnesota Statutes 1982, section 340.14, subdivision 1a, is amended to read:

Subd. 1a. [PERSONS DENIED ACCESS.] No intoxicating liquor shall may be sold, furnished, or delivered for any purpose to any a minor or, to any person an obviously intoxicated person, or to any of the persons a person to whom sale is prohibited by statute.

Sec. 12. Minnesota Statutes 1982, section 340.14, subdivision 2, is amended to read:

Subd. 2. [RESTRICTIONS.] Every A licensee shall be is responsible for the conduct of his place of business and for conditions of sobriety and order therein. No licensee shall may keep, possess, house, or operate, or permit the keeping, possession, or operation of, a slot machine, dice, or other gambling device on the licensed premises; or in any room an adjoining the licensed premises, any slot machine, dice, or any gambling device or apparatus room, nor permit any gambling therein; nor. A gambling device may, however, be kept or operated and a raffle conducted on the licensed premises or an adjoining room if the activity is licensed by the local unit of government pursuant to section 349.26. No licensee may permit the licensed premises or any, an adjoining room in the same, or in any an adjoining building, directly or indirectly under its control to be used as a resort for prostitutes or other disorderly persons; except that gambling devices may be kept or operated and raffles conducted on licensed premises and adjoining rooms when such activities are licensed by the local unit of government pursuant to section 349.26. No person under 18 years of age shall old may be employed in any rooms constituting the place in which intoxicating liquors are sold at retail "on-sale", except that persons under 18 years of age may be employed as musicians a musician, or to perform the duties of as a busboy or dishwashing services dishwasher in places defined as a restaurant or, hotel, or motel serving food in rooms in which intoxicating liquors are sold at retail "on-sale".

Sec. 13. Minnesota Statutes 1982, section 340.19, is amended to read:

340.19 [REMOVAL OF OFFICERS; LICENSES REVOKED; BONDS

FORFEITED; VIOLATIONS.]

(1) (a) The failure on the part of ~~any duly constituted~~ a public officer, charged by law with the enforcement of the intoxicating liquor act ~~shall constitute~~ constitutes non-feasance in office and ~~shall be~~ is valid ground for the removal of ~~such the~~ officer.

(2) When any (b) If a licensee ~~shall wilfully violate the provisions of will-~~ fully violates the intoxicating liquor act, his license ~~shall must~~ be immediately revoked and his bond forfeited; ~~and~~. No license of ~~any class shall for a~~ term of five years thereafter may be issued to the same person or to ~~any a~~ person who at the time of the violation owns ~~any an~~ interest, whether as holder of more than five percent of the capital stock of a corporation licensee, as partner, or otherwise, in the premises or in the business conducted thereon, or to ~~any a~~ corporation, partnership, association, enterprise, business, or firm in which ~~any such the~~ person is in ~~any manner interested~~ has an interest, within five years after the revocation.

(3) (c) Whoever, in violation of ~~the provisions of~~ the intoxicating liquor act, ~~shall manufacture manufactures~~ intoxicating liquor for the purposes of sale ~~shall be~~ is guilty of a gross misdemeanor felony.

(4) (d) Whoever, in violation of ~~the provisions of~~ the intoxicating liquor act, ~~shall transport transports~~ or ~~import imports~~ into the state liquor for the purposes of sale ~~shall be~~ is guilty of a gross misdemeanor felony.

(5) (e) Whoever ~~shall sell~~, in violation of the provisions of the intoxicating liquor act, sells directly or indirectly ~~any~~ intoxicating liquor without having a license for ~~such the~~ sale ~~shall be~~ is guilty of a gross misdemeanor.

(6) (f) Except as provided in paragraphs (c), (d), and (e), whoever ~~shall violate any of the provisions~~ violates a provision of the intoxicating liquor act as to sale, licensing, or any of the regulatory provisions pertaining thereto, as herein provided, ~~shall be~~ is guilty of a misdemeanor.

(7) (g) Whoever refuses or neglects to obey ~~any a~~ lawful direction of the commissioner of public safety, or his deputy or any of his assistants, withholds any information, book, record, paper, or other thing called for by him for the purpose of examination; obstructs or misleads him in the execution of his duties; or swears falsely concerning ~~any a~~ matter stated under oath ~~shall be~~ is guilty of a gross misdemeanor.

(8) The commissioner of public safety shall have the power to institute proceedings to cancel or revoke the licensing of any pharmacist or druggist as such pharmacist or druggist who shall violate the provisions of the intoxicating liquor act.

Sec. 14. Minnesota Statutes 1982, section 340.403, is amended to read:

340.403 [BOND, LICENSE.]

Subdivision 1. [FILING AND APPROVAL OF BOND.] ~~Every~~ An applicant for a license under ~~the provisions of~~ sections 340.401 to 340.407 shall, at the time of filing his application, file with the commissioner a bond running to the state of Minnesota, with corporate surety, ~~to~~. The bond must be approved by the commissioner before ~~granting such he~~ grants the license. The bond of a brewer ~~shall must~~ be in the sum of \$5,000 ~~and~~. The bond of a wholesaler ~~must be~~ in the sum of \$1,000. ~~Any~~ An applicant may, in lieu of ~~such the~~ bond, ~~make a~~ deposit with the commissioner of cash or United States government bonds in the same amount as that ~~hereinbefore~~ required

for bond of ~~such~~ *the* applicant.

Subd. 2. [CONDITIONS OF BOND.] ~~All~~ Bonds or deposits ~~shall~~ *must* be conditioned *as follows*: (1) that the licensee ~~shall~~ *will* obey the law relating to ~~such~~ *the* licensed business; (2) that the licensee ~~shall~~ *will* pay to the state, when due, all taxes, license fees, penalties, and other charges payable by him under any law relating to the manufacture, distribution, or sale of intoxicating or non-intoxicating malt liquor; (3) that, ~~in the event of any violation of the provisions if he violates a provision of any law of this state relating to the manufacture, distribution, or sale of intoxicating or non-intoxicating malt liquor, such~~ *the* bond ~~shall~~ *will* be forfeited to the state of Minnesota.

Subd. 3. [LICENSE GRANTED.] Upon the filing of an application, the approval of the bond, and the payment of the license fee, the commissioner shall grant the license unless it ~~shall appear~~ *appears* that the applicant: (1) is not a citizen of the United States; ~~or~~ (2) is not *at least* 19 years of age ~~or over old~~; ~~or~~ (3) has been convicted of a felony under the laws of this state; ~~or~~ (4) has had his license revoked within a ~~period of~~ one year prior to the filing of his application; or (5) has not been a resident of Minnesota or has not been qualified as a corporation to do business in Minnesota for more than 90 days prior to application. ~~In the event~~ *If* the applicant is a corporation, its managing officers must possess the qualifications ~~herein stated prescribed in respect to clauses~~ (1), (2), (3), and (4).

No wholesale malt beverage license ~~shall~~ *may* be granted to ~~any~~ *a* person unless he ~~shall have~~ *has* within the state of Minnesota warehouse space either owned or leased by him and ~~shall have~~ adequate delivery facilities to perform the function of wholesaling malt beverages. ~~Provided that~~ *However*, the requirements of this subdivision as to residence and warehouse space ~~shall~~ *do not* apply to ~~any~~ *a* wholesaler ~~in of~~ an adjoining state which permits Minnesota resident licensees to deliver malt beverages to retailers without warehousing in that state or to ~~any~~ *a* wholesaler ~~in of~~ an adjoining state delivering malt beverages manufactured in Minnesota.

Subd. 4. [PERIOD OF LICENSE.] All Licenses ~~shall~~ *must* be issued for a ~~period of~~ one year. ~~No person now holding a license for the manufacture or sale at wholesale of intoxicating malt liquor shall be required to obtain a license under the provisions of sections 340.401 to 340.407 until the expiration of the period for which such existing license was issued but such licensee shall be subject to all other provisions thereof.~~

Subd. 5. [CERTAIN SALES PROHIBITED.] *A brewer, wholesaler, or importer may sell intoxicating malt liquor only to a municipal liquor store, government instrumentality, a holder of a license issued under the intoxicating liquor act, or a person described in section 340.11, subdivision 15. A sale to any other person by a brewer, wholesaler, or importer is a gross misdemeanor.*

Sec. 15. Minnesota Statutes 1982, section 340.74, is amended to read:

340.74 [FRAUDULENT SHIPMENTS.]

Every person who knowingly delivers or causes to be delivered to ~~any~~ *a* common carrier for shipment any liquor under a false or misleading title, name, or mark, and every common carrier, or agent of ~~such~~ *a* carrier, who knowingly receives the ~~same~~ *it* for shipment, and every person knowingly shipping or receiving liquor so marked, is guilty of a misdemeanor; ~~and~~ . Any liquor so shipped with the knowledge of the owner, and the casks or packages containing the same, shall be forfeited to the ~~school fund of the~~

~~county~~ state. The books and waybills of ~~any~~ a common carrier handling ~~such~~ these liquors may be examined by any police officer for the purpose of tracing ~~such~~ the liquors to the shipper or receiver.

Sec. 16. [REPEALER.]

Minnesota Statutes 1982, sections 340.13, subdivision 11; 340.73, subdivision 2; 340.76; 340.77; 340.78; 340.81; 340.83; 340.88; 340.89; 340.90; 340.91; 340.92; and 340.93 are repealed."

Amend the title as follows:

Page 1, line 6, delete "prohibiting clubs from"

Page 1, delete lines 7 and 8

Page 1, line 9, delete "defining ownership"

Page 1, delete line 10

Page 1, line 11, delete "prohibiting licenses for certain felons;"

Page 1, line 12, delete "prohibiting licensees from"

Page 1, delete lines 13 and 14

Page 1, line 21, delete "subdivisions 11, 13, and" and insert "subdivision"

Page 1, line 23, after "340.403;" insert "and 340.74;"

Page 1, line 25, after "340.73" insert ", subdivision 2"

Page 1, line 25, delete "340.74;"

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

Mr. Dieterich from the Committee on Public Utilities and State Regulated Industries, to which was referred

S.F. No. 275: A bill for an act relating to public utilities; specifying the regulatory treatment of certain expenses; amending Minnesota Statutes 1982, section 216B.16, subdivisions 8 and 9, and by adding subdivisions.

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

Pages 1 to 3, delete sections 1 to 4

Page 3, line 22, delete "shall" and insert "may"

Page 3, line 27, after the period, insert "*The commission may promulgate temporary and permanent rules under the provisions of chapter 14, the Administrative Procedure Act, to establish standards and criteria for this subdivision.*"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, delete "subdivisions" and insert "by adding a subdivision."

Page 1, delete line 5

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

Mr. Dieterich from the Committee on Public Utilities and State Regulated Industries, to which was referred

S.F. No. 926: A bill for an act relating to public utilities; providing for additional investment authority of bond proceeds; amending Minnesota Statutes 1982, section 216B.49, by adding a subdivision.

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

Page 1, line 14, delete "*those*" and after "*investments*" insert "*of the type*"

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

Mr. Chmielewski from the Committee on Employment, to which was referred

S.F. No. 685: A bill for an act relating to workers' compensation; providing an application fee for self-insurers; amending Minnesota Statutes 1982, section 176.181, by adding a subdivision.

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

Page 1, line 10, after "*Every*" insert "*initial*"

Page 1, line 11, delete "*I*" and insert "*2*"

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

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was referred

S.F. No. 705: A bill for an act relating to Blue Earth County; providing for the taxation of the Rapidan Dam power generating facility.

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

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was referred

H.F. No. 210: A bill for an act relating to historical societies; fixing the maximum city or town tax for a county historical society; amending Minnesota Statutes 1982, section 138.053.

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

Amend the title as follows:

Page 1, line 3, delete "tax" and insert "expenditure"

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

Mr. Schmitz from the Committee on Local and Urban Government, to which was referred

S.F. No. 865: A bill for an act relating to the range association of municipalities and schools; defining its permitted area; amending Minnesota Statutes 1982, section 471.58.

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

Page 1, line 23, strike everything after "schools"

Page 1, strike lines 24 and 25

Page 2, strike line 1

Page 2, line 2, strike everything before the period

And when so amended the bill do pass and be placed on the Consent Calendar. Amendments adopted. Report adopted.

Mr. Schmitz from the Committee on Local and Urban Government, to which was referred

S.F. No. 825: A bill for an act relating to the city of St. Paul; providing for facilities, bonding, powers, and duties of the St. Paul port authority; amending Laws 1976, chapter 234, section 3, subdivision 1.

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

Page 2, line 15, after "income" insert "or \$400,000 annually, whichever is less,"

Page 2, line 20, after "participants" insert ", and provided the corporation or entity shall report in writing each month to the commissioners of the port authority all investment action and other actions taken by it since the last report. All funds contributed to the corporation or entity shall be invested pro-rata with each contributor of capital taking proportional risks on each investment"

Page 3, line 4, after "3" insert ", and shall expire June 30, 1987"

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

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 695: A bill for an act relating to public welfare; requiring new procedures for determining nursing home payment rates; requiring a moratorium on licensure or certification of new beds with certain exceptions; providing for an interagency board for quality assurance; appropriating money; amending Minnesota Statutes 1982, sections 144A.10, subdivision

6; 256B.091, subdivisions 1, 2, 4, and 8; 256B.41; 256B.47; and 256B.48; proposing new law coded in chapters 144A and 256B; repealing Minnesota Statutes 1982, sections 256B.42; 256B.43; 256B.44; 256B.45; and 256B.46.

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

Delete everything after the enacting clause and insert:

“Section 1. [144A.071] [MORATORIUM ON CERTIFICATION OF NURSING HOME BEDS.]

Subdivision 1. [MORATORIUM.] Notwithstanding the provisions of the Certificate of Need Act, sections 145.832 to 145.845, or any other law to the contrary, the commissioner of health, in coordination with the commissioner of public welfare, shall deny each request by a nursing home or boarding care home, except an intermediate care facility for the mentally retarded, for addition of new certified beds or for a change or changes in the certification status of existing beds except as provided in subdivision 2. The total number of certified beds in the state in the skilled level and in the intermediate levels of care shall remain at or decrease from the number of beds certified at each level of care on the effective date of this section, except as allowed under subdivision 2. “Certified bed” means a nursing home bed or a boarding care bed certified by the commissioner of health for the purposes of the medicare or medical assistance program, under United States Code, title 42, sections 1395 et seq. and 1396 et seq.

The commissioner of public welfare, in coordination with the commissioner of health, shall deny any request to issue a license under sections 245.781 to 245.812 and 252.28 to a nursing home or boarding care home, if that license would result in an increase in the reimbursement amount.

Subd. 2. [EXCEPTIONS.] The commissioner of health, in coordination with the commissioner of welfare, may approve the addition of a new certified bed or change in the certification status of an existing bed under the following conditions:

(a) To replace a bed decertified after the effective date of this section or to address an extreme hardship situation, in a particular county that has fewer nursing home beds than the number that is ten percent higher than the national average of nursing home beds per 1,000 elderly individuals. In allowing replacement of a decertified bed, the commissioners shall ensure that the number of added or recertified beds does not exceed the total number of decertified beds in the state in that level of care. An extreme hardship situation can only be found after the county documents the existence of unmet medical needs that cannot be addressed by any other alternatives; or

(b) To certify a new bed in a facility that commenced construction before the effective date of this section. For the purposes of this section, “commenced construction” means that all of the following conditions were met: the final working drawings and specifications were approved by the commissioner of health; the construction contracts were let; a timely construction schedule was developed, stipulating dates for beginning, achieving various stages, and completing construction; all zoning and building permits were secured; and significant alteration of the site was made and continues

in accordance with the construction schedule. The commissioner of public welfare shall consult with the commissioner of health and others knowledgeable in the area to determine the average amount of expenses incurred in preparing for commencing construction after obtaining a certificate of need, and shall reimburse a nursing home that obtained a certificate of need but did not commence construction before the effective date of this section for its actual expenses, incurred during that period in preparing for commencing construction, except any tax-deductible amounts, up to the mean amount;

(c) To completely replace a currently operating facility of fewer than 80 beds, that has obtained a certificate of need but has not commenced construction before the effective date of this section, if the replacement will not result in more total certified beds or more certified beds in any level of care than if the original facility had continued to operate; or

(d) When the change in certification status results in a decrease in the reimbursement amount.

Subd. 3. [MONITORING.] The commissioner of health, in coordination with the commissioner of public welfare, shall implement mechanisms to monitor and analyze the effect of the moratorium in the different geographic areas of the state. The commissioner of health shall submit to the legislature, no later than January 15, 1984 and annually thereafter, an assessment of the impact of the moratorium by geographic area, with particular attention to service deficits or problems and a corrective action plan.

Sec. 2. Minnesota Statutes 1982, section 144A.10, subdivision 6, is amended to read:

Subd. 6. [FINES.] A nursing home which is issued a notice of noncompliance with a correction order shall be assessed a civil fine in accordance with a schedule of fines to be promulgated by rule of the commissioner of health before September 1, 1983. The fine shall be assessed for each day the facility remains in noncompliance and until a notice of correction is received by the commissioner of health in accordance with subdivision 7. No fine for a specific violation may exceed ~~\$250~~ \$1,000 per day of noncompliance.

Sec. 3. [144A.31] [INTERAGENCY BOARD FOR QUALITY ASSURANCE.]

Subdivision 1. [INTERAGENCY BOARD.] The commissioners of health and public welfare shall establish, by October 1, 1983, an interagency board of representatives of their respective departments who are knowledgeable and employed in the areas of long term care, geriatric care, long term care facility inspection, or quality of care assurance. The number of interagency board members shall not exceed seven; three members each to represent the commissioners of health and public welfare and one member to represent the commissioner of public safety in the enforcement of fire and safety standards in nursing homes. The commissioner of public welfare or a designee shall chair and convene the board. The board may utilize the expertise and time of other individuals employed by either department as needed. The board may recommend that the commissioners contract for services as needed. The board shall meet as often as necessary to accomplish its duties, but at least monthly. The board shall establish procedures, including public hearings,

for allowing regular opportunities for input from residents, nursing homes, and other interested persons.

Subd. 2. [INSPECTIONS.] No later than January 1, 1984, the board shall develop and recommend implementation and enforcement of an effective system to ensure quality of care in each nursing home in the state. Quality of care includes evaluating, using the resident's care plan, whether the resident's ability to function is optimized and should not be measured solely by the number or amount of services provided.

The board shall assist the commissioner of health in ensuring that inspections and reinspections of nursing homes are conducted with a frequency and in a manner calculated to most effectively and appropriately fulfill its quality assurance responsibilities and achieve the greatest benefit to nursing home residents. The commissioner of health shall require a higher frequency and extent of inspections with respect to those nursing homes that present the most serious concerns with respect to resident health, treatment, comfort, safety, and well-being. These concerns include but are not limited to: complaints about care, safety, or rights; situations where previous inspections or reinspections have resulted in correction orders related to care, safety, or rights; instances of frequent change in administration in excess of normal turnover rates; and situations where persons involved in ownership or administration of the nursing home have been indicted for, charged with, or convicted of engaging in criminal activity. A nursing home that presents none of these concerns or any other concern or condition established by the board that poses a risk to resident care, safety, or rights shall be inspected once every two years for compliance with key requirements as determined by the board.

The board shall develop and recommend to the commissioners mechanisms beyond the inspection process to protect resident care, safety, and rights, including but not limited to coordination with the office of health facility complaints and the nursing home ombudsman program.

Subd. 3. [METHODS FOR DETERMINING RESIDENT CARE NEEDS.] The board shall develop and recommend to the commissioners definitions for levels of care and methods for determining resident care needs in preparation for eventually developing methods to adjust payments for resident care based on the mix of resident needs in a nursing home. The methods for determining resident care needs shall include assessments of ability to perform activities of daily living and assessments of medical and therapeutic needs.

Subd. 4. [ENFORCEMENT.] The board shall develop and recommend for implementation effective methods of enforcing quality of care standards. When it deems necessary, and when all other methods of enforcement are not appropriate, the board shall recommend to the commissioner of health closure of all or part of a nursing home and revocation of the license. The board shall develop, and the commissioner of public welfare shall implement, a resident relocation plan that instructs the county in which the nursing home is located of procedures to ensure that the needs of residents in nursing homes about to be closed are met. The county shall ensure placement in swing beds in hospitals, placement in unoccupied beds in other nursing homes, utilization of home health care on a temporary basis, foster care placement, or other appropriate alternative care. In preparing for reloca-

tion, the county shall ensure that residents and their families or guardians are involved in planning the relocation.

Subd. 5. [REPORTS.] The commissioners of health and public welfare shall report to the legislature no later than January 15, 1984 on their proposals and progress on implementation of the methods required under subdivisions 2, 3, and 4. The commissioners shall recommend changes in or additions to legislation necessary or desirable to fulfill their responsibilities. The commissioners shall report annually to the legislature, beginning in January, 1985, on the implementation and enforcement of the provisions of this section.

Sec. 4. Minnesota Statutes 1982, section 256B.091, subdivision 1, is amended to read:

Subdivision 1. [PURPOSE.] It is the purpose of this section to prevent inappropriate nursing home or boarding care home placement by establishing a program of preadmission screening teams for all medical assistance recipients and any individual who would become eligible for medical assistance within ~~90~~ 180 days of admission to a licensed nursing home or boarding care home participating in the program. Further, it is the purpose of this section and the program to gain further information about how to contain costs associated with inappropriate nursing home or boarding care home admissions. The commissioners of public welfare and health shall seek to maximize use of available federal and state funds and establish the broadest program possible within the appropriation available. The commissioner of public welfare shall promulgate temporary rules in order to implement this section by September 1, 1980.

Sec. 5. Minnesota Statutes 1982, section 256B.091, subdivision 2, is amended to read:

Subd. 2. [SCREENING TEAMS; ESTABLISHMENT.] Each county agency designated by the commissioner of public welfare to participate in the program shall contract with the local board of health organized under section 145.911 to 145.922 or other public or non-profit agency to establish a screening team to assess, prior to admission to a nursing home or a boarding care home licensed under section 144A.02 or sections 144.50 to 144.56, that is certified for medical assistance as a skilled nursing facility, intermediate care facility level I, or intermediate care facility level II, the health and social needs of medical assistance recipients and individuals who would become eligible for medical assistance within ~~90~~ 180 days of nursing home or boarding care home admission. Each local screening team shall be composed of a public health nurse from the local public health nursing service and a social worker from the local community welfare agency. Each screening team shall have a physician available for consultation and shall utilize individuals' attending physicians' physical assessment forms, if any, in assessing needs. The individual's physician shall be included on the screening team if the physician chooses to participate. If the individual is being discharged from an acute care facility, a discharge planner from that facility may be present, at the facility's request, during the screening team's assessment of the individual and may participate in discussions but not in making the screening team's recommendations under subdivision 3, clause (e). If the assessment procedure or screening team recommendation results

in a delay of the individual's discharge from the acute care facility, the facility shall not be denied *medical assistance* reimbursement or incur any other financial or regulatory penalty of the *medical assistance program that would otherwise be* caused by the individual's extended length of stay. Other personnel as deemed appropriate by the county agency may be included on the team. No member of a screening team shall have a direct or indirect financial or self-serving interest in a nursing home or non-institutional referral such that it would not be possible for the member to consider each case objectively.

Sec. 6. Minnesota Statutes 1982, section 256B.091, subdivision 4, is amended to read:

Subd. 4. [SCREENING OF PERSONS.] Prior to nursing home *or boarding care home* admission, screening teams shall assess the needs of all persons receiving medical assistance and of all persons who would be eligible for medical assistance within ~~90~~ 180 days of admission to a nursing home *or boarding care home*, except patients transferred from other nursing homes or patients who, having entered acute care facilities from nursing homes, are returning to nursing home care. Any other interested person may be assessed by a screening team upon payment of a fee based upon a sliding fee scale.

Sec. 7. Minnesota Statutes 1982, section 256B.091, subdivision 8, is amended 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~~ 180 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 and shall provide documentation in each individual's plan of care that the most cost effective alternatives available have been offered to the individual. Grants to counties under this subdivision are subject to audit by the commissioner for fiscal and utilization control.

The commissioner shall establish a sliding fee schedule for requiring pay-

ment for the cost of providing services under this subdivision to persons who are eligible for the services but who are not yet eligible for medical assistance.

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. A county agency shall not use grant money to provide care under this subdivision to an individual if the anticipated cost of providing this care would exceed the average payment, as determined by the commissioner, for the level of nursing home care that the recipient would receive if placed in 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 sections 14.29 to 14.36, to establish required documentation and reporting of care delivered.

Sec. 8. Minnesota Statutes 1982, section 256B.41, is amended to read:

256B.41 [INTENT.]

Subdivision 1. [AUTHORITY.] ~~The state agency commissioner shall by rule establish a formula, by rule, procedures for establishing payment determining rates for care of residents of nursing homes which qualify as vendors of medical assistance, and for implementing the provisions of sections 256B.41, 256B.47, 256B.48, and sections 9, 10, 13, and 14. The procedures shall be based on methods and standards that the commissioner finds are adequate to provide for the costs that must be incurred for the care of residents in efficiently and economically operated nursing homes and shall specify the costs that are allowable for establishing payment rates through medical assistance.~~

Subd. 2. [FEDERAL REQUIREMENTS.] ~~It is the intent of the legislature to establish certain limitations on the state agency in setting standards for nursing home rate setting for the care of recipients of medical assistance pursuant to this chapter. It is not the intent of the legislature to repeal or change any existing or future rule promulgated by the state agency relating to the setting of rates for nursing homes unless the rule is clearly in conflict with sections 256B.41 to 256B.48. If any provision of sections 256B.41 to 256B.47, and 256B.48 and sections 9, 10, 13, and 14, is determined by the United States government to be in conflict with existing or future requirements of the United States government with respect to federal participation in medical assistance, the federal requirements shall prevail.~~

Sec. 9. [256B.421] [DEFINITIONS.]

Subdivision 1. [SCOPE.] For the purposes of sections 256B.41, 256B.47, 256B.48, and sections 9, 10, 13, and 14, the following terms and phrases shall have the meaning given to them.

Subd. 2. [COMMISSIONER.] "Commissioner" means the commissioner of public welfare.

Subd. 3. [FINAL RATE.] "Final rate" means the rate established after any adjustment by the commissioner, including but not limited to adjustments resulting from cost report reviews and field audits.

Subd. 4. [GENERAL AND ADMINISTRATIVE COSTS.] "General and administrative costs" means all allowable costs for administering the facility, including but not limited to: salaries of administrators, assistant administrators, medical directors, accounting personnel, data processing personnel, and all clerical personnel; business office functions and supplies; travel; telephone and telegraph; advertising; licenses and permits; membership dues and subscriptions; postage; insurance, except as included as a fringe benefit under subdivision 13; professional services such as legal, accounting and data processing services; central or home office costs; management fees; management consultants; employee training; and business meetings and seminars. These costs shall be included in general and administrative costs in total, without direct or indirect allocation to other cost categories.

Subd. 5. [HISTORICAL OPERATING COSTS.] "Historical operating costs" means the allowable operating costs incurred by the facility during the reporting year immediately preceding the rate year for which the payment rate becomes effective, after the commissioner has reviewed those costs and determined them to be allowable costs under the medical assistance program, and after the commissioner has applied appropriate limitations such as the ten percent limit on administrative costs.

Subd. 6. [NURSING HOME.] "Nursing home" means a facility licensed under chapter 144A or a boarding care facility licensed under sections 144.50 to 144.56.

Subd. 7. [OPERATING COSTS.] "Operating costs" means the day to day costs of operating the facility in compliance with licensure and certification standards. Operating cost categories are: nursing, dietary, laundry and linen, housekeeping, plant operation and maintenance, other care-related services, general and administration, payroll taxes, real estate taxes and special assessments, and fringe benefits.

Subd. 8. [PAYMENT RATE.] "Payment rate" means the rate determined under section 10.

Subd. 9. [PRIVATE PAYING RESIDENT.] "Private paying resident" means a nursing home resident who is not a medical assistance recipient and whose payment rate is not established by another third party, including the veterans administration or medicare.

Subd. 10. [RATE YEAR.] "Rate year" means the fiscal year for which a payment rate determined under section 10 is effective, from July 1 to the next June 30.

Subd. 11. [REPORTING YEAR.] "Reporting year" means the period from October 1 to September 30, immediately preceding the rate year, for

which the nursing home submits reports required under section 256B.48, subdivision 2.

Subd. 12. [ACTUAL RESIDENT DAY.] "Actual resident day" means a billable, countable day as defined by the commissioner.

Subd. 13. [FRINGE BENEFITS.] "Fringe benefits" means workers' compensation insurance, group health insurance, group life insurance, retirement benefits or plans, and uniform allowances.

Subd. 14. [PAYROLL TAXES.] "Payroll taxes" means the employer's share of FICA (social security withholding) taxes and state and federal unemployment compensation taxes.

Sec. 10. [256B.431] [RATE DETERMINATION.]

Subdivision 1. [IN GENERAL.] The commissioner shall determine prospective payment rates for resident care costs. In determining the rates, the commissioner shall group nursing homes according to different levels of care until July 1, 1985, and after that date, mix of resident needs, and geographic location, as defined by the commissioner. Until groups are established according to mix of resident needs, the commissioner shall group all convalescent and nursing care units attached to hospitals into one group for purposes of determining reimbursement for operating costs. On or before June 1, 1983, the commissioner shall mail notices to each nursing home of the rates to be effective from July 1 of that year to June 30 of the following year. In subsequent years, the commissioner shall provide notice to each nursing home on or before May 1 of the rates effective for the following rate year. If a statute enacted after May 1 affects the rates, the commissioner shall provide a revised notice to each nursing home as soon as possible.

Subd. 2. [OPERATING COSTS.] (a) The commissioner shall establish, by rule, procedures for determining per diem reimbursement for operating costs based on actual resident days. The commissioner shall disallow any portion of the general and administrative cost category, exclusive of fringe benefits and payroll taxes, which exceeds ten percent, for nursing homes with more than 40 certified beds in total and fifteen percent for nursing homes with 40 or fewer certified beds in total, of the expenditures in all other operating cost categories except fringe benefits and payroll taxes.

(b) For the rate year beginning July 1, 1983 and ending June 30, 1984, the prospective operating cost payment rate for each nursing home shall be determined by the commissioner based on the most recently audited and available cost reports of allowed operating costs received by December 31, 1982. To determine the allowed historical operating cost, the commissioner shall update the historical per diem shown in those cost reports to June 30, 1983, using a ten percent annual rate of increase after applying the general and administrative cost limitation described in paragraph (a). The commissioner shall calculate the 60th percentile of payment rates for operating costs for each group of nursing homes established under subdivision 1.

(1) Within each group, each nursing home whose allowed historical operating cost as determined under this paragraph (b) is at or above the 60th percentile shall receive the 60th percentile increased by six percent plus 80 percent of the difference between its allowed operating cost and the 60th percentile.

(2) Within each group, each nursing home whose allowed historical operating cost is below the 60th percentile shall receive that allowed historical operating cost increased by six percent.

For the rate year beginning July 1, 1984, and ending June 30, 1985, the prospective operating cost payment rate for each nursing home shall be determined by the commissioner based on allowed historical operating costs incurred during the reporting year preceding the rate year. The commissioner shall provide for the analysis and evaluation of each nursing home's report of allowed operating costs incurred by the nursing home during the reporting year immediately preceding the rate year. The allowed historical operating costs, after the commissioner's analysis and evaluation, shall be added together and divided by the number of actual resident days to compute the allowed historical operating cost. The commissioner shall calculate the 60th percentile of allowed historical operating costs for each group of nursing homes established under subdivision 1.

(3) Within each group, each nursing home whose allowed historical operating cost is at or above the 60th percentile of payment rates shall receive the 60th percentile increased by six percent plus 70 percent of the difference between its allowed historical operating cost payment rate and the 60th percentile.

(4) Within each group, each nursing home whose allowed historical operating cost is below the 60th percentile shall receive that allowed historical operating cost increased by six percent.

(c) For subsequent years, the commissioner shall:

(1) Contract with an econometric firm with recognized expertise in and access to national economic change indices which can be applied to the appropriate cost categories when determining the operating cost payment rate;

(2) Establish the 60th percentile of allowed historical operating costs for each group of nursing homes established under subdivision 1 based on cost reports of allowed operating costs in the previous reporting year. The commissioner shall provide for the analysis and evaluation of each nursing home's report of allowed operating costs incurred by the nursing home during the reporting year immediately preceding the rate year for which the payment rate becomes effective. The allowed historical operating costs, after the commissioner's analysis and evaluation, shall be added together and divided by the actual number of resident days in order to compute the allowed historical operating cost;

(3) Establish a composite index for each group by determining the weighted average of all economic change indicators applied to the operating cost categories in that group.

(4) Within each group, each nursing home with an allowed historical operating cost in the previous reporting year at or above the 60th percentile calculated in paragraph (c)(2) shall receive the 60th percentile increased by the composite index calculated in paragraph (c)(3). Each nursing home with an allowed historical operating cost in the previous reporting year below the 60th percentile calculated in paragraph (c)(2) shall receive that allowed historical operating cost increased by the percentage change resulting from

the application of the composite index to its allowed historical operating cost per diem.

The commissioner shall include the reported actual real estate tax liability of each proprietary nursing home as an operating cost of that nursing home. The commissioner shall include a reported actual special assessment for each nursing home as an operating cost of that nursing home. Total real estate tax liability and actual special assessments paid for each nursing home (i) shall be divided by actual resident days in order to compute the operating cost payment rate for this operating cost category, but (ii) shall not be used to compute the 60th percentile.

(d) The commissioner shall allow the nursing home to keep, as an efficiency incentive, the difference between the nursing home's operating cost payment rate established for that rate year and the actual historical operating costs incurred for that rate year, if the latter amount is smaller. If a nursing home's actual historic operating costs are greater than the prospective payment rate for that rate year, there shall be no retroactive cost settle-up. If an annual cost report or field audit indicates that the expenditures for direct resident care have been reduced in amounts large enough to indicate a possible detrimental effect on the quality of care, the commissioner shall notify the commissioner of health and the interagency board for quality assurance.

(e) The commissioner may negotiate, with a nursing home that is eligible to receive medical assistance payments, a payment rate of up to 125 percent of the allowed payment rate to be paid for a period of up to three months for individuals who have been hospitalized for more than 100 days, who have extensive care needs based on nursing hours actually provided or mental or physical disability, or need for respite care for a specified and limited time period, and based on an assessment of the nursing home's resident mix as determined by the commissioner of health.

Subd. 3. [PROPERTY-RELATED COSTS.] *Property-related costs shall be reimbursed to each nursing home at the level recognized in the final rate effective March 1, 1983. Property-related costs include: depreciation, interest, earnings or investment allowance, lease, or rental payments. No adjustments shall be made as a result of sales or reorganizations of provider entities. Adjustment shall be made for asset additions, improvements, replacements, disposals, or retirements from service as shown in depreciation schedules submitted to and approved by the commissioner. Annual per diem shall be computed by dividing total property-related costs by 96 percent of the nursing home's certified capacity days.*

Subd. 4. [SPECIAL RATES.] *A newly-constructed nursing home or one with a capacity increase of 50 percent or more may, upon written application to the commissioner, receive the 60th percentile established for the appropriate group under subdivision 2, paragraph (b) or (c) increased by six percent as its operating cost payment rate, to be effective from the first day a medical assistance recipient resides in the home or for the added beds. The commissioner shall establish by rule procedures for determining the allowable level of property-related costs for newly-constructed beds. The commissioner shall establish by rule procedures for determining payment rates for nursing homes which provide care under a lesser care level than the level*

for which the nursing home is certified.

Subd. 5. [FIELD AUDIT ADJUSTMENTS.] When on-site field audits of the records of all nursing homes within a group result in adjustments exceeding one cent per resident per day in any reporting year, the payment rate for each nursing home in the following rate year in that group shall be increased or decreased by the adjustment amount.

Sec. 11. Minnesota Statutes 1982, section 256B.47, is amended to read:

256B.47 [RATE LIMITS NONALLOWABLE COSTS; NOTICE OF INCREASES TO PRIVATE PAYING RESIDENTS.]

Subdivision 1. [NONALLOWABLE COSTS.] The state agency shall by rule establish separate overall limitations on the costs for items which directly relate to the provision of patient care to residents of nursing homes and those which do not directly relate to the provision of care. The state agency may also by rule, establish limitations for specific cost categories which do not directly relate to the provision of patient care. The state agency shall reimburse nursing homes for the costs of nursing care in excess of any state agency limits on hours of nursing care if the commissioner of health issues a correction order pursuant to section 144A.10, subdivision 4, directing the nursing home to provide the additional nursing care. All costs determined otherwise allowable shall be subject to these limitations.

~~Subd. 2. The following costs shall not be recognized as allowable to the extent that these costs cannot be demonstrated by the nursing home to the state agency to be directly related to the provision of patient care: (1) political contributions; (2) salaries or expenses of a lobbyist, as defined in section 10A.01, subdivision 11, for lobbying activities; (3) advertising designed to encourage potential residents to select a particular nursing home; (4) assessments levied by the health department commissioner of health for uncorrected violations; and (5) legal and related fees for unsuccessful challenges to decisions by state agencies; and (6) dues paid to a nursing home or hospital association. The state agency shall promulgate rules establishing standards which shall distinguish between any patient care related components and non-patient care related components of these costs, where applicable. For purposes of these rules, the state agency shall exercise emergency powers and establish emergency rules pursuant to section 15.0412, subdivision 5, before September 1, 1977. The state agency commissioner shall by rule exclude the costs of any other items which it determines are not directly related to the provision of patient resident care.~~

~~Subd. 3. On or before January 1, 1977 the state agency shall by rule establish a procedure affording notice of the approved rate for medical assistance recipients to nursing homes within 120 days after the close of the fiscal year of the nursing home.~~

Subd. 4. 2. [NOTICE TO RESIDENTS.] No increase in nursing home rates for private paying residents shall be effective unless the nursing home notifies the resident or person responsible for payment of the increase in writing 30 days before the increase takes effect.

A nursing home may adjust its rates without giving the notice required by this subdivision when the purpose of the rate adjustment is to: ~~(a) reflect a necessary change in the level of care provided to a resident; or (b) retroac-~~

tively or prospectively equalize private pay rates with rates charged to medical assistance recipients as required by section 256B.48, subdivision 1, clause (a) and applicable federal law.

Subd. 5. The commissioner shall promulgate rules no later than August 1, 1980, to amend the current rules governing nursing home reimbursement, in accordance with sections 14.01 to 14.70, to allow providers to allocate their resources in order to provide as many nursing hours as necessary within the total cost limitations of the per diem already granted. If the state fails to set rates as required by section 10, the time required for giving notice is decreased by the number of days by which the state was late in setting the rates.

Sec. 12. Minnesota Statutes 1982, section 256B.48, is amended to read:

256B.48 [CONDITIONS FOR PARTICIPATION.]

Subdivision 1. [PROHIBITED PRACTICES.] No A nursing home shall be is not eligible to receive medical assistance payments unless it agrees in writing that it will refrain refrains from:

(a) Charging nonmedical assistance residents rates for similar services which exceed by more than ten percent those rates which are approved by the state agency for medical assistance recipients. For nursing homes charging nonmedical assistance residents rates less than ten percent more than those rates which are approved by the state agency for medical assistance recipients, the maximum differential in rates between nonmedical assistance residents and medical assistance recipients shall not exceed that differential which was in effect on April 13, 1976. If a nursing home has exceeded this differential since April 13, 1976, it shall return the amount collected in excess of the allowable differential stated by this subdivision to the nonmedical assistance resident, or that person's representative, by July 1, 1977. Effective July 1, 1978, no nursing home shall be eligible for medical assistance if it charges nonmedical assistance recipients Charging private paying residents rates for similar services which exceed those which are approved by the state agency for medical assistance recipients; provided, however, that except under the following circumstances: the nursing home may (1) charge nonmedical assistance private paying residents a higher rate for a private room, and (2) charge for special services which are not included in the daily rate if medical assistance patients residents are charged separately at the same rate for the same services in addition to the daily rate paid by the state agency commissioner. A nursing home that charges a private paying resident a rate in violation of this clause is subject to an action by the state of Minnesota or any of its subdivisions or agencies for civil damages. A private paying resident or the resident's legal representative has a cause of action for civil damages against a nursing home that charges the resident rates in violation of this clause. The damages awarded shall include three times the payments that result from the violation, together with costs and disbursements, including reasonable attorneys' fees or their equivalent. A private paying resident or the resident's legal representative, the state, subdivision or agency, or a nursing home may request a hearing to determine the allowed rate or rates at issue in the cause of action. Within 15 calendar days after receiving a request for such a hearing, the commissioner shall request assignment of a hearing examiner under sections 14.48 to 14.56 to conduct the hearing as soon as possible or according to agreement by the parties. The hearing examiner shall issue a report within 15 calendar days following the close of the hearing. The prohibition set forth in this clause shall not apply to facilities licensed as boarding care facilities which are not certified as nursing homes for reimburse-

ment through medical assistance;

(b) Requiring an applicant for admission to the home, or the guardian or conservator of the applicant, as a condition of admission, to pay ~~an admission fee~~ *any fee or deposit* in excess of \$100, loan any money to the nursing home, or promise to leave all or part of the applicant's estate to the home; ~~and~~

(c) Requiring any resident of the nursing home to utilize a vendor of health care services who is a licensed physician or pharmacist chosen by the nursing home;

(d) Requiring any applicant to the nursing home, or the applicant's guardian or conservator, as a condition of admission, to assure that the applicant is neither eligible for nor will seek public assistance for payment of nursing home care costs;

(e) Requiring any vendor of medical care as defined by section 256B.02, subdivision 7, who is reimbursed by medical assistance under a separate fee schedule, to pay any portion of his fee to the nursing home except as payment for renting or leasing space or equipment of the nursing home or purchasing support services, if those agreements are disclosed to the commissioner; and

(f) Refusing to accept, for more than 24 hours, a resident returning to his same bed or a bed certified for the same level of care, in accordance with a physician's order authorizing transfer, after receiving inpatient hospital services.

The prohibitions set forth in clause (b) shall not apply to a retirement home with more than 325 beds including at least 150 licensed nursing home beds and which:

(1) is owned and operated by an organization tax-exempt under section 290.05, subdivision 1, clause (i); and

(2) ~~at the time of admission places~~ *accounts for* all of the applicant's assets which are required to be assigned to the home ~~in a trust account from which~~ *so that* only expenses for the cost of care of the applicant may be ~~deducted~~ *charged against the account*; and

(3) agrees in writing at the time of admission to the home to permit the applicant, or his guardian, or conservator, to examine the records relating to the ~~individual's trust~~ *applicant's* account upon request, and to receive an audited statement of the expenditures ~~from charged against~~ his individual account upon request; and

(4) agrees in writing at the time of admission to the home to permit the applicant to withdraw from the home at any time and to receive, upon withdrawal, all of the unexpended funds ~~remaining~~ in his individual ~~trust~~ account; ~~and~~

~~(5) was in compliance with provisions (1) to (4) as of June 30, 1976.~~

Subd. 2. [REPORTING REQUIREMENTS.] ~~Effective July 1, 1976, no A~~ nursing home ~~shall be~~ *is not* eligible to receive medical assistance payments unless it ~~agrees in writing to:~~

(a) ~~Provide~~ *No later than December 31 of each year, it provides the state*

~~agency~~ commissioner with its most recent (1) balance sheet and statement of revenues and expenses, *including a statement of the rate or rates charged to private paying residents*, as audited by a certified public accountant licensed by this state or by a public accountant as defined in section 412.222; (2) statement of ownership for the nursing home; and (3) a separate audited balance sheet and statement of revenues and expenses for each nursing home if more than one nursing home or other business operation is owned by the same owner; a governmentally owned nursing home may comply with the auditing requirements of this clause by submitting an audit report prepared by the state auditor's office. *The commissioner shall audit cost reports as required by section 256B.27, subdivision 2a;*

(b) No later than December 31 of each year, it provides to the commissioner the information and supporting documents that the commissioner requires for determining payment rates. The commissioner shall prescribe, by rule, the information necessary for determining payment rates;

(b) Provide (c) It provides the state agency commissioner with copies of leases, purchase agreements and other related documents related to the lease or purchase of the nursing home; and

(c) Provide to the state agency upon request copies of leases, purchase agreements, or similar documents for to the purchase or acquisition of equipment, goods and services which are claimed as allowable costs.

Subd. 3. [INCOMPLETE OR INACCURATE REPORTS.] The ~~state agency~~ commissioner may reject any annual cost report filed by a nursing home pursuant to this chapter if ~~it~~ the commissioner determines that the report or the information required in subdivision 2, clause (a) has been filed in a form that is incomplete or inaccurate. In the event that a report is rejected pursuant to this subdivision, the ~~state agency may~~ commissioner shall make payments to a nursing home at ~~the its most recently established rate determined for its prior fiscal year, or at an interim rate established by the state agency,~~ until the information is completely and accurately filed.

Subd. 4. [EXTENSIONS; AMENDMENTS.] *The commissioner may grant a 15-day extension of the reporting deadline to a nursing home for good cause. To receive such an extension, a nursing home shall submit a written request by December 1. The commissioner will notify the nursing home of the decision by December 15.*

Subd. 5. [FALSE REPORTS.] *If a nursing home knowingly supplies inaccurate or false information in a required report that results in an overpayment, the commissioner shall: (a) immediately adjust the nursing home's payment rate to recover the entire overpayment within the rate year; or (b) terminate the commissioner's agreement with the nursing home; or (c) prosecute under applicable state or federal law; or (d) use any combination of the foregoing actions.*

Sec. 13. [256B.50] [APPEALS.]

A nursing home may appeal a decision arising from the application of standards or methods pursuant to sections 256B.41, 256B.47, 256B.48, and sections 9, 10, 13, and 14 if the appeal, if successful, would result in a change to the nursing home's payment rate. An appealable decision is an operating cost determination decision. To appeal, the nursing home shall

notify the commissioner of its intent to appeal within 30 days and submit a written appeal request within 60 days of receiving notice of the payment rate determination or decision. The request shall specify each disputed item, the reason for the dispute, an estimate of the dollar amount involved, and other information required by the commissioner. The appeal shall be heard by a hearing examiner according to sections 14.48 to 14.56, or upon agreement by both parties according to a modified appeals procedure established by the commissioner and the hearing examiner. Regardless of any rate appeal, the rate paid shall be the rate established and shall remain in effect until final resolution of the appeal, subsequent desk or field audit adjustment, notwithstanding any provision of law or rule to the contrary. To challenge the validity of rules established by the commissioner pursuant to sections 256B.41, 256B.47, 256B.48, and sections 9, 10, 13, and 14, a nursing home shall comply with section 14.44.

Sec. 14. [256B.502] [TEMPORARY RULES.]

The commissioners of health and public welfare shall promulgate temporary and permanent rules necessary to implement sections 1 to 16, in accordance with sections 14.01 to 14.38. Notwithstanding the provisions of section 14.35, the temporary rule promulgated to implement sections 1 to 15 shall be effective for up to 360 days, and may be continued in effect for two additional period of 180 days each if the commissioner gives notice of continuation of each additional period by publishing notice in the state register and mailing the same notice to all persons registered with the commissioner to receive notice of rulemaking proceedings in connection with sections 1 to 15. The temporary rules promulgated in accordance with this section shall not be effective 720 days after its effective date without following the procedures in sections 14.13 to 14.20. The commissioner shall report to the legislature by January 1, 1985, on likely groups and shall establish groups of nursing homes based on the mix of resident care needs, and on geographic area, by July 1, 1985.

Sec. 15. [LEGISLATIVE STUDY COMMISSION ON LONG TERM HEALTH CARE FUNDING ALTERNATIVES.]

Subdivision 1. A legislative study commission is created to study and report on alternatives to medical assistance funding for providing long term health care services to the citizens of Minnesota. The study commission shall consider use of alternatives such as private insurance, private annuities, health maintenance organizations, preferred provider organizations, medicare, and other alternatives the commission deems worthy of study.

Subd. 2. The commission shall consist of six members of the house of representatives appointed in the usual manner and six members of the senate appointed by the subcommittee on committees.

Subd. 3. The commission shall report its findings and recommendations to the governor and the legislature not later than January 1, 1985.

Subd. 4. The commission shall hold meetings and hearings at the times and places it designates to accomplish the purposes set forth in this section. It shall select a chairperson and other officers from its membership as it deems necessary.

Subd. 5. The commission shall make use of existing legislative facilities

and staff of the house and senate research departments and senate counsel, but it may also request the legislative coordinating commission to supply it with additional necessary staff, office space, and administrative services. All additional personnel shall be hired and supervised by the directors of the house and senate research departments and senate counsel. The commission shall have full authority to contract for expert services and opinions relevant to the purposes of this section.

Sec. 16. [REPEALER.]

Minnesota Statutes 1982, sections 256B.42; 256B.43; 256B.44; 256B.45; and 256B.46 are repealed. 12 MCAR, Section 2.049 is repealed effective July 1, 1983.

Sec. 17. [APPROPRIATION.]

For the biennium ending June 30, 1985, \$..... is appropriated from the general fund to the commissioner of public welfare to jointly establish with the commissioner of health the interagency board for quality assurance in accordance with section 3. The approved complements of the department of health and the department of public welfare are each increased by one-half position to provide one full-time position for the interagency board.

Sec. 18. [EFFECTIVE DATE.]

Sections 1 to 16 are effective the day following enactment, for establishing procedures for determining payment rates to become effective for the biennium beginning July 1, 1983 and thereafter. The amendments to section 256B.48, subdivision 1, apply to causes of action arising from charges made on or after the effective date of section 12."

Amend the title as follows:

Page 1, line 10, after "in" insert "Minnesota Statutes 1982,"

Page 1, line 12, before the period, insert "; and 12 MCAR 2.049"

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

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

S.F. No. 791: A bill for an act relating to natural resources; authorizing the commissioner of natural resources to convey to private persons, under certain circumstances, road easements across railroad rights-of-way acquired for trail purposes; proposing new law coded in Minnesota Statutes, chapter 84.

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

Page 1, line 13, delete "permanent"

Page 1, line 17, delete "all of"

Page 1, line 18, delete "all other lawful"

Page 1, line 20, delete ", including but not limited to" and insert "through"

Page 1, line 21, delete "if that is an alternative"

Page 1, line 22, delete "*under the existing circumstances*"

Page 1, line 24, delete "*short or long term*"

Page 1, line 26, delete "*permanent*"

Page 2, line 2, delete "*an appropriate price, not less than*"

Page 2, line 5, delete "*also*" and "*such*"

Page 2, line 6, after "*conditions*" insert "*of use*"

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

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

S.F. No. 429: A bill for an act relating to natural resources; extending the existence of the citizen's committee on Voyageurs National Park; authorizing the committee to accept gifts; amending Minnesota Statutes 1982, section 84B.11, subdivision 2; amending Laws 1975, chapter 235, section 2.

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

Page 2, line 1, reinstate the stricken language

Page 2, line 2, reinstate "expire June 30," and before the period, insert "1989"

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

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

S.F. No. 857: A bill for an act relating to agriculture; excluding pipeline companies from certain restrictions on acquisition of agricultural land; amending Minnesota Statutes 1982, section 500.221, subdivision 2.

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

Page 2, line 22, delete "20" and insert "40"

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

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

S.F. No. 893: A bill for an act relating to the lower Red River watershed management board; removing ten year limitation for tax levy by watershed districts which are members of board; amending Laws 1976, chapter 162, sections 1, as amended, and 2.

Reports the same back with the recommendation that the bill be amended

as follows:

Page 2, after line 14, insert:

“Sec. 3. [COORDINATOR POSITION.]

Effective July 1, 1983, the Red River watershed coordinator position (senior hydrologist) in the unclassified service of the state is transferred to the classified civil service in the department of natural resources. The incumbent in this position shall be transferred without competitive examination to probationary status in the classified service in the same classification and at the same pay step as at present. All of the employee's accrued vacation and sick leave shall be transferred to his credit.”

Amend the title as follows:

Page 1, line 4, after the semicolon, insert “transferring a position to the classified service;”

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

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

S.F. No. 972: A bill for an act relating to natural resources; authorizing the commissioner of natural resources to sell certain lands in St. Louis County; appropriating money.

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

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

S.F. No. 551: A bill for an act relating to waters; imposing a restriction on diversion to destinations outside the state; amending Minnesota Statutes 1982, section 105.38.

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

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1982, section 105.405, subdivision 2, is amended to read:

Subd. 2. No permit authorized by sections 105.37 to 105.55 nor any plan for which the commissioner's approval is required or permitted, involving a diversion of any waters of the state, surface or underground, to a place outside of this state shall be granted or approved until after a determination by the commissioner that the water remaining in this state will be adequate to meet the state's water resources needs during the specified life of the diversion project *and after approval by the legislature.”*

Amend the title as follows:

Page 1, line 2, delete "imposing a restriction on"

Page 1, line 3, delete "diversion to destinations" and insert "requiring legislative approval for diversion of water"

Page 1, line 4, delete "105.38" and insert "105.405, subdivision 2"

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

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

S.F. No. 84: A bill for an act relating to agriculture; providing that certain agricultural operations are not private or public nuisances; amending Minnesota Statutes 1982, section 561.19, subdivisions 2 and 5.

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

Page 2, delete section 2 and insert:

"Sec. 2. [REPEALER.]

Minnesota Statutes 1982, section 561.19, subdivision 5, is repealed."

Amend the title as follows:

Page 1, line 5, delete "subdivisions 2 and 5" and insert "subdivision 2; repealing Minnesota Statutes 1982, section 561.19, subdivision 5"

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

Mr. Schmitz from the Committee on Local and Urban Government, to which was referred

S.F. No. 748: A bill for an act relating to local government; providing for the development of University Avenue in the cities of Minneapolis and St. Paul; creating a commission to develop and implement transit, housing, and economic development projects; appropriating money.

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

Page 1, line 14, delete "construct" and insert "consider whether"

Page 1, line 14, delete "rapid"

Page 1, line 19, after the bracket, delete "RAPID" and after the quotation mark, delete "Rapid"

Page 2, line 21, after "business" insert ", labor,"

Page 2, line 23, delete "at the pleasure of" and insert "for an indefinite period until"

Page 2, line 23, before the period, insert "makes new appointments"

Page 3, line 15, after "commission" insert "shall employ an executive

director and"

Page 3, line 16, after "*employ*" insert "*other*"

Page 3, line 22, after the third "*and*" insert "*, with input from ongoing and past studies,*"

Page 3, line 23, delete "*the rapid and*"

Page 3, line 36, delete "*regulate*" and insert "*manage*"

Page 4, line 3, delete everything after "*of*" and insert "*an*"

Page 4, line 4, after "*investment*" insert "*project*"

Page 4, line 5, after the period, insert "*The plan shall evaluate the feasibility of a transit system in coordination with ongoing transit studies.*"

Page 4, line 18, before the comma, insert "*while ensuring that no duplication of effort occurs with those studies*"

Page 5, line 17, delete "\$250,000" and insert "\$125,000"

Amend the title as follows:

Page 1, line 5, delete "transit,"

Page 1, line 6, after "projects" insert "and transit"

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

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

S.F. No. 779: A bill for an act relating to education; permitting the continued development and implementation of a low-power television transmission system for certain school districts; appropriating money.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was referred

S.F. No. 523: A bill for an act relating to the organization and operation of state government; requiring the preparation of a tax expenditure budget; appropriating money; proposing new law coded in Minnesota Statutes, chapter 270.

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

Page 2, line 3, delete "*on or before March 1 of each odd-numbered year*" and insert "*as a supplement to the governor's budget and at the same time as provided for submission of the budget pursuant to section 16A.11, subdivision 1*"

Page 2, after line 20, insert:

"*Subd. 4. [REVENUE ESTIMATES; LEGISLATIVE BILLS.] Upon reasonable notice from the chairman of the house or senate tax committee that a*

bill is scheduled for hearing, the department of revenue shall prepare an estimate of the effect on the state's tax revenues which would result from the passage of a legislative bill establishing, extending, or restricting a tax expenditure. These revenue estimates shall contain the same information as provided in subdivision 3 for expenditure items contained in the tax expenditure budget, as appropriate."

Page 2, line 21, delete "4" and insert "5"

Page 2, line 24, delete "preferential" and insert "gross income definition,"

Page 3, line 1, delete everything after the period

Page 3, delete line 2

Page 3, line 6, delete "The department of revenue"

Page 3, delete lines 7 to 9

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

Mr. Solon from the Committee on Economic Development and Commerce, to which was referred

S.F. No. 952: A bill for an act relating to occupations and professions; regulating the period of time between professional boxing contests, matches, or exhibitions; amending Minnesota Statutes 1982, section 341.115.

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

Page 1, line 19, after "boxer" insert "loses due to a technical knockout or"

Page 1, line 23, reinstate the stricken "The"

Page 2, line 13, reinstate the stricken period and before the reinstated period, insert "*affidavit must state that the boxer has regularly trained for at least 30 days under the supervision of a second licensed by the board of wrestling and boxing or a second or trainer licensed in another jurisdiction or the equivalent. The examination must include an electroencephalogram if the boxer has been knocked unconscious in boxing competition*"

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

Mr. Solon from the Committee on Economic Development and Commerce, to which was referred

S.F. No. 649: A bill for an act relating to health; establishing minimum standards for systems of reimbursing providers of pharmaceutical goods and services to certain third-parties; proposing new law coded as Minnesota Statutes, chapter 151A.

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

Page 1, delete sections 1 and 2

Page 1, line 20, delete "151A.03" and insert "151A.01"

Page 1, line 21, delete "sections 1 to 11" and insert "this act"

Page 1, line 22, after "any" insert "nongovernmental"

Page 2, line 4, delete "151A.04" and insert "151A.02"

Page 2, line 5, delete "Subdivision 1. [REIMBURSEMENT.]"

Page 2, delete lines 14 to 19

Page 2, line 20, delete "151A.05" and insert "151A.03"

Page 2, line 28, delete "151A.06" and insert "151A.04"

Page 3, delete section 7

Page 3, line 26, delete "151A.08" and insert "151A.05"

Page 3, line 34, delete "the goods and"

Page 3, line 35, delete "sections 1 to 11" and insert "this act"

Page 3, delete line 36

Page 4, delete line 1 and insert "each pharmacy's average rate up to the 85th percentile of the range of prevailing rates charged by individual pharmacies to consumers not covered under third party or governmental prescription programs. This determination must be made each year utilizing data from the nearest preceding year for which information is available."

Page 4, delete lines 2 to 12

Page 4, line 13, delete "151A.09" and insert "151A.06"

Page 4, lines 15, 19, 20 and 21, delete "sections 1 to 11" and insert "this act"

Page 4, line 17, delete "151A.10" and insert "151A.07"

Page 4, line 23, delete "151A.11" and insert "151A.08"

Page 4, line 24, delete "Sections 1 to 11 do" and insert "This act does"

Renumber the sections in sequence

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

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

S.F. No. 77: A bill for an act relating to veterans; providing funds for the Vietnam era veterans downpayment assistance program administered by the Minnesota housing finance agency; appropriating money.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Mr. Lessard from the Committee on Veterans and General Legislation, to

which was referred

S.F. No. 808: A bill for an act relating to the state seal; providing a description of the official state seal; proposing new law coded in Minnesota Statutes, chapter 1.

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

Page 1, line 10, delete “*great*” and delete “*of the state of Minnesota*”

Page 1, line 14, delete “*great*” and delete the second “*of the*”

Page 1, line 15, delete “*state of Minnesota*”

Page 2, line 24, after “*spear*” insert “*in his left hand*”

Page 2, line 27, delete “*the likeness of*” and insert “*three*” and delete “*forms*” and insert “*form*”

Page 2, line 33, after “*with*” insert “*an ax embedded in the stump and*”

Page 2, line 36, delete “*fully-clothed standing*” and delete “*man*” and insert “*barefoot male pioneer*”

Page 3, line 1, after “*wearing*” insert “*clothing and*” and after “*hat*” insert “*of that period*”

Page 3, line 6, delete “*The lettering and the*”

Page 3, delete line 7

Page 3, line 8, delete “*printed.*” and delete “*produce and*”

Page 3, line 14, after “*the*” insert “*enlargement,*”

Page 3, line 15, after “*reduction*” insert “*, and embossment*”

Page 3, line 18, delete “*great*” and delete “*of the state of Minnesota*”

Page 3, after line 19, insert:

“*Subd. 5. [STATE’S DUTIES.] The state shall make every effort to bring any seal currently fixed to a permanent object into accordance with this section. Expendable material to which the seal is currently affixed may be used until the supply is exhausted. All dies and engravings of the current seal that cannot be brought into substantial conformance with this section shall be given to the Minnesota historical society, along with all information available about the seal.*”

Sec. 2. Minnesota Statutes 1982, section 1.143, is amended to read:

1.143 [STATE TREE, DESIGNATION.]

Subdivision 1. The Red pine (*Pinus resinosa*), more commonly known as Norway pine, is hereby designated as the official state tree of the State of Minnesota.

Subd. 2. A photograph of the Red pine, to be obtained and approved by the commissioner of natural resources, shall be certified and preserved in the office of the secretary of state.

Sec. 3. [REPEALER.]

Minnesota Statutes 1982, sections 1.144 and 358.02 are repealed."

Amend the title as follows:

Page 1, line 3, after "seal;" insert "amending Minnesota Statutes 1982, section 1.143;"

Page 1, line 4, before the period, insert "repealing Minnesota Statutes 1982, sections 1.144 and 358.02"

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

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

S.F. No. 1010: A resolution memorializing the President and Congress of the United States to provide service-connected disability compensation for former members of the military forces who were exposed in Vietnam to toxic herbicides, chemicals, medications, and other environmental hazards and conditions.

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

Page 1, line 10, after "States" insert ", of which over 55,000 reside in the state of Minnesota,"

Page 1, line 17, after "a" insert "presumptive service"

Page 1, line 21, delete "Veteran Administrative" and insert "Veterans' Administration"

Page 2, line 5, delete "exposed" and insert "and their children from exposure"

Page 2, line 13, delete "Congess" and insert "Congress"

Page 2, line 14, after the comma, insert "the commissioner of veterans' affairs of the state of Minnesota to be transmitted to the county veteran service offices,"

Page 2, line 14, delete "Administator" and insert "Administrator"

And when so amended the resolution do pass and be re-referred to the Committee on Rules and Administration. Amendments adopted. Report adopted.

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

S.F. No. 1015: A bill for an act relating to cemeteries; increasing the penalty for illegal molestation of human remains; requiring the state or political subdivision to obtain archaeologist services and to pay for removal of Indian burial grounds under certain circumstances; amending Minnesota Statutes 1982, section 307.08, subdivisions 2, 4, 8, and 10.

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

Page 1, line 26, delete “gross”

Page 2, line 14, strike everything after “8.”

Page 2, strike line 15

Page 2, line 16, strike “burial ground.”

Amend the title as follows:

Page 1, line 2, delete “increasing the penalty for”

Page 1, line 3, delete “illegal molestation of human remains;”

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

Mr. Dieterich from the Committee on Public Utilities and State Regulated Industries, to which was referred

S.F. No. 210: A bill for an act relating to liquor; authorizing off-sale price advertising in bordering state publications; amending Minnesota Statutes 1982, section 340.15, subdivision 1.

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

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1982, section 340.15, is amended by adding a subdivision to read:

Subd. 3. This section does not apply to advertising of liquor prices by an off-sale licensee in a newspaper of general circulation published in a bordering state if the newspaper is the primary newspaper of general circulation in the area in which the off-sale licensee is located.”

Amend the title as follows:

Page 1, line 3, after “in” insert “certain”

Page 1, line 3, delete “publications” and insert “newspapers”

Page 1, line 4, delete “subdivision 1” and insert “by adding a subdivision”

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

Mr. Chmielewski from the Committee on Employment, to which was referred

S.F. No. 1011: A bill for an act relating to unemployment compensation; providing for conformity with federal law; updating the law to reflect current practice; making technical changes; removing obsolete language; regulating administrative practices; providing for the effect of back pay awards; regulating benefit amounts, contributions, and benefit eligibility; amending Minnesota Statutes 1982, sections 268.04, subdivisions 12, 17, 25, 26, 29,

and by adding a subdivision; 268.05, subdivision 5; 268.06, subdivisions 1, 2, 3a, 5, 20, 28, and 29; 268.07, subdivision 2; 268.071, subdivision 3; 268.08, subdivision 3, and by adding a subdivision; 268.09, subdivisions 1 and 2; 268.10, subdivisions 2, 3, 4, 5, 6, 7, and 9; 268.11, subdivisions 2 and 3; 268.12, subdivisions 8 and 9; 268.16, subdivision 2; 268.161, subdivisions 1, 4, 5, 7, and 8; 268.18, subdivisions 1 and 2; repealing Minnesota Statutes 1982, section 268.06, subdivision 32.

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

Page 1, after line 20, insert:

“Section 1. Minnesota Statutes 1982, section 268.04, subdivision 2, is amended to read:

Subd. 2. “Base period” means the period of fifty-two calendar weeks immediately preceding the first day of an individual’s benefit year. ~~Provided, However, that~~ if a claimant received weekly worker’s compensation for temporary total disability under the provisions of chapter 176 or under a similar law of the United States for more than seven weeks within the base period, ~~as heretofore defined, his or if a claimant, whose own serious illness caused a loss of credit weeks within the base period, received compensation due to the illness from some other source or under a law of this state other than chapter 176 or under a similar law of the United States for more than seven weeks within the base period, the claimant’s base period shall be~~ lengthened by the same number of ~~such~~ weeks, but not to exceed 52 weeks, for which ~~he the claimant~~ received ~~such the~~ payments; ~~provided further, that.~~ No extended base period shall include wage credits upon which benefits were established and paid with respect to a prior valid claim.”

Page 5, line 6, strike “exclusively” and insert “primarily”

Page 15, line 7, strike “subsequent”

Page 17, line 23, delete “or back pay” and strike “have been” and insert “or back pay,”

Page 17, line 25, after “payment” insert a comma

Page 25, line 22, strike “made in the same manner”

Page 25, line 23, before “section” insert “provided by”

Page 28, after line 35, insert:

“Sec. 16. [268.061] [SURCHARGE; EMERGENCY INTEREST REPAYMENT FUND.]

Subdivision 1. [AMOUNT.] Each employer, except those making payments in lieu of contributions pursuant to section 268.06, subdivisions 25, 26, 27 and 28, shall pay an annual surcharge of 10 percent of contributions paid or due and payable for the calendar year of 1982 and for each calendar year thereafter. The commissioner shall notify employers of the contributions upon which the surcharge is based and the amount of surcharge payable no later than August 1, 1983, and August 1 for each taxable year thereafter. The surcharge for taxable year 1982 shall be paid no later than August 31, 1983, and by the 31st day of August each taxable year thereafter. Pay-

ments due under this subdivision are subject to the collection provisions of sections 268.16 and 268.161. The surcharges paid under this subdivision are not contributions for the purposes of section 268.06, subdivision 6. The commissioner may temporarily reduce the amount of surcharge imposed by this section when there are sufficient funds raised by the surcharge to make the interest payment required on federal funds advanced to the state under section 1202 of the Social Security Act.

Subd. 2. [EMERGENCY INTEREST REPAYMENT FUND, CREATION.] A special fund to be known as the emergency interest repayment fund is created in the state treasury. The special fund is separate and distinct from any fund or account created for any other purposes of sections 268.03 to 268.24. All collections from the surcharge shall be deposited in the special fund. The special fund shall be used only to pay interest accruing on funds advanced from the federal government pursuant to section 1202 of the Social Security Act. All moneys in this fund shall be deposited, administered, and disbursed in the same manner and under the same conditions and requirements as are provided by law for the other special funds in the state treasury, except that all interest resulting from the investment or deposit of these funds shall accrue to the emergency fund for the purposes of the fund.

Subd. 3. [REPORT TO LEGISLATURE.] On January 1, 1984, and on each January 1 thereafter the commissioner shall report to the legislature on the status of the outstanding funds advanced pursuant to section 1202 of the Social Security Act, including the interest charged on those funds. When all advanced funds and the interest charged on those funds have been repaid to the federal government, the commissioner shall recommend appropriate action by the legislature relating to the termination of the emergency interest repayment fund and the disposition of any money still in the fund."

Page 30, line 12, after "\$25" insert "or \$200 for earnings from service in the national guard or a United States military reserve unit. Jury duty pay is not considered as earnings and shall not be deducted from benefits paid"

Page 30, after line 17, insert:

"Sec. 18. Minnesota Statutes 1982, section 268.07, subdivision 3, is amended to read:

Subd. 3. [WHEN WAGE CREDITS ARE NOT AVAILABLE.] (1) No individual may receive benefits in a benefit year unless, subsequent to the beginning of the next preceding benefit year during which ~~he received~~ benefits ~~were received~~, ~~he the individual~~ performed service in insured work as defined in section 268.04, subdivision 17, and earned remuneration for ~~such~~ the service in an amount equal to not less than the minimum wage credits required to qualify for benefits.

(2) No employer who provided 90 percent or more of the wage credits in a claimant's base period shall be charged for benefits based upon earnings of ~~such~~ the claimant during a subsequent base period unless ~~he the employer~~ has employed ~~such~~ the claimant in any part of ~~such~~ the subsequent base period.

(3) Wages paid by an employing unit may not be used for benefit purposes by any individual who (a) individually or jointly with a spouse, parent or child owns or controls directly or indirectly 25 percent or more interest in the

employing unit; or (b) is the spouse, parent or minor child of any individual who owns or controls directly or indirectly 25 percent or more interest in the employing unit; and (c) is not permanently separated from employment.

This clause ~~shall be~~ *is* effective when the individual has been paid four times the individual's weekly benefit amount in the current benefit year.

(4) Wages paid by an employing unit may not be used for benefit purposes during a benefit year commencing after October 1, 1982, if the total amount of wage credits in the base period equal or exceed three times the average annual wage, as determined in subdivision 2, in the second year preceding the calendar year in which the individual's valid claim was established.

~~(5)~~ (4) Wages paid in seasonal employment, as defined in subdivision 2a, are not available for benefit purposes during weeks in which there is no seasonal employment available with the employer."

Page 30, line 32, delete "*shall*" and insert "*is*" and delete "*be*"

Page 30, line 33, delete "*he*" and insert "*the individual*"

Page 30, line 34, delete "*had earnings of*" and insert "*earned*" and after "*his*" insert "*or her*"

Page 31, after line 3, insert:

"Sec. 20. Minnesota Statutes 1982, section 268.08, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBILITY CONDITIONS.] An individual shall be eligible to receive benefits with respect to any week of unemployment only if the commissioner finds that *the individual*:

(1) ~~He~~ has registered for work at and thereafter has continued to report to an employment office, or agent of ~~such the~~ office, in accordance with ~~such regulations as rules~~ the commissioner may ~~prescribe~~ *adopt*; except that the commissioner may by ~~regulation~~ *rule* waive or alter either or both of the requirements of this clause as to types of cases or situations with respect to which ~~he the commissioner~~ finds that compliance with ~~such the~~ requirements would be oppressive or would be inconsistent with the purposes of sections 268.03 to 268.24;

(2) ~~He~~ has made a claim for benefits in accordance with ~~such regulations rules~~ as the commissioner may ~~prescribe~~ *adopt*; and

(3) ~~He~~ was able to work and was available for work, and was actively seeking work; ~~provided that. The~~ individual's weekly benefit amount shall be reduced one-fifth for each day ~~such the~~ individual is unable to work or is unavailable for work; ~~provided further that.~~ Benefits shall not be denied by application of this clause to an individual who is in training with the approval of the commissioner or in training approved pursuant to section 236 of the Trade Act of 1974, as amended;

An individual ~~shall be~~ *is* deemed unavailable for work with respect to any week which occurs in a period when ~~he the individual~~ is a full-time student in attendance at, or on vacation from an established school, college or university unless a majority of the credit weeks earned in ~~his the~~ base period were for services performed during weeks in which ~~he the student~~ was attending

school as a full-time student.

An individual serving as a juror shall be considered as available for work and actively seeking work on each day the individual is on jury duty.

(4) ~~He~~ *the individual* has been unemployed for a waiting period of one week during which ~~he~~ *the individual* is otherwise eligible for benefits under sections 268.03 to 268.24, ~~provided~~. However, payment for the waiting week shall be made to ~~such~~ *the individual* after ~~he~~ *the individual* has qualified for and been paid benefits for four weeks of unemployment in a benefit year which period of unemployment is terminated because of ~~such~~ *the individual's* return to employment. No individual ~~shall be~~ *is* required to serve a waiting period of more than one week within the one year period subsequent to filing a valid claim and commencing with the week within which ~~such~~ *the* valid claim was filed."

Page 32, line 17, delete "*so*"

Page 32, line 22, after "*paid*" insert "*to*"

Page 32, line 28, delete "*employers*" and insert "*employer's*"

Page 32, after line 33, insert:

"Sec. 23. Minnesota Statutes 1982, section 268.08, subdivision 6, is amended to read:

Subd. 6. [SERVICES PERFORMED FOR STATE, MUNICIPALITIES OR CHARITABLE CORPORATION.] ~~Effective January 1, 1978~~ Benefits based on service in employment defined in section 268.04, subdivision 12, clauses (7), (8) and (9), ~~shall be~~ *are* payable in the same amount, on the same terms and subject to the same conditions as benefits payable on the basis of other service subject to this chapter; except that

(a) ~~With respect to weeks of unemployment after December 31, 1977,~~ Benefits based upon service performed in an instructional, research, or principal administrative capacity for an institution of higher education or a public school, or a nonpublic school or the Minnesota school for the deaf or Minnesota braille and sight saving school, or in a public or nonpublic school for an educational cooperative service unit established under section 123.58, or any other educational service agency as defined in section 3304 (a) (6) (A) (IV) of the federal unemployment tax act, shall not be paid for any week of unemployment commencing during the period between two successive academic years or terms, or during a similar period between two regular but not successive terms, or during a period of paid sabbatical leave provided for in the individual's contract, to any individual if the individual performs the services in the first of the academic years or terms and if there is a contract or a reasonable assurance that the individual will perform services in any such capacity for any institution of higher education, public school, nonpublic school, state deaf and sight saving schools, an educational cooperative service unit, *or other educational service agency, or developmental achievement center* in the second of the academic years or terms, and

(b) With respect to service performed ~~after December 31, 1977~~ in any capacity, other than those capacities described in clause (a) of this subdivision, for *an institution of higher education, or a public school or nonpublic school, or the Minnesota school for the deaf or Minnesota braille and sight*

saving school, or in a public or nonpublic school or for an educational cooperative service unit established under section 123.58, or any other educational service agency as defined in section 3304 (a) (6) (A) (IV) of the federal unemployment tax act, benefits shall not be paid on the basis of these services to any individual for any week which commences during a period between two successive academic years or terms if the individual performs the services in the first of the academic years or terms and there is a reasonable assurance that the individual will perform the services in the second of the academic years or terms. *If benefits are denied to any individual under this clause and the individual was not offered an opportunity to perform the services in the second of the academic years or term, the individual shall be entitled to a retroactive payment of benefits for each week in which the individual filed a timely claim for benefits, but the claim was denied solely because of this clause; and*

(c) With respect to ~~any~~ services described in ~~clause~~ clauses (a) or (b), benefits payable on the basis of the services shall not be paid to any individual for any week which commences during an established and customary vacation period or holiday recess if the individual performs the services in the period immediately before the vacation period or holiday recess, and there is a reasonable assurance that the individual will perform the services in the period immediately following the vacation period or holiday recess.

Sec. 24. Minnesota Statutes 1982, section 268.08, is amended by adding a subdivision to read:

Subd. 9. [SERVICES FOR CERTAIN CONTRACTORS.] Benefits shall not be paid to an individual based on service for a contractor who contracts with an employer which is excepted from paying benefits under subdivision 6 if that individual would not have been eligible for benefits had he or she worked directly for the excepted employer in a like or similar position and the individual is notified in writing of the provisions of this subdivision during his or her period of employment during 1983 and thereafter prior to or at the time of commencement of the individual's employment."

Page 33, line 2, after "benefits" insert ". For separations under clauses (1) and (2), the disqualification shall continue"

Page 33, line 3, strike "he" and insert "the individual"

Page 33, line 10, after "employment" insert "or based solely on a provision in a collective bargaining agreement by which an individual has vested discretionary authority in another to act in behalf of the individual"

Page 35, line 4, strike "and provided further that" and insert ". For a separation under this clause,"

Page 35, line 9, strike "shall be" and insert "is"

Page 35, line 14, after the period, insert "For an employee of a health care facility, gross misconduct also includes misconduct involving an act of patient or resident abuse as defined in section 626.557, subdivision 2, clause (d).

If an individual is convicted of a felony or gross misdemeanor for the same act or acts of misconduct for which the individual was discharged, the misconduct is conclusively presumed to be gross misconduct if it was connected

with his work.”

Page 39, line 36, strike “such” and insert “an”

Page 40, line 2, strike “such” and insert “the”

Page 40, line 18, delete “he” and insert “the referee”

Page 40, line 19, strike “duly”

Page 40, line 20, strike “, together with” and after the stricken “its” insert “and”

Page 40, line 20, strike “therefor,” and insert “for it.”

Page 40, line 21, strike “which shall be” and insert “The referee’s decision is” and after “unless” insert “a”

Page 40, line 35, strike “regulation prescribe the” and insert “rule adopt a”

Page 40, line 36, strike “shall”

Page 41, line 3, strike “he” and insert “that person”

Page 41, line 4, strike “any”

Page 41, line 5, before “referee” insert “a”

Page 41, line 10, strike “his” and insert “an”

Page 41, line 12, strike the comma

Page 41, line 13, strike “such regulations as” and insert “rules”

Page 41, line 19, after “mailing” insert “or personal delivery”

Page 41, line 20, strike “his” and insert “the” and after “address” strike “or” and insert a comma

Page 41, line 21, strike “personal delivery thereof, any such” and insert “a” and after “from” strike “such” and insert “the”

Page 41, line 22, strike “thereof” and insert “of it” and strike “his”

Page 41, line 23, strike “duly” and insert “an” and strike “, and” and insert a period

Page 41, line 24, strike “his” and insert “the commissioner’s” and strike “any”

Page 41, line 25, strike “such” and insert “a” and strike “his duly”

Page 41, line 29, strike the first “such” and insert “the” and strike the second “such” and insert “the”

Page 41, line 31, strike “it” and insert “the referee”

Page 41, line 34, strike “his” and insert “authorized” and after “himself” insert “or herself”

Page 42, line 1, strike “so” and strike “his” and insert “authorized”

Page 42, line 10, strike “shall be” and insert “are” and strike “thereon”

Page 42, line 12, strike “regulations prescribed” and insert “rules

adopted"

Page 42, line 14, strike "such" and insert "the"

Page 42, line 34, strike the second "any" and insert "a" and strike "thereunder by"

Page 42, line 35, before "a" insert "before"

Page 42, line 35, strike "or his" and insert "commissioner's"

Page 43, line 5, reinstate the stricken "but no" and the stricken "counsel shall either charge or receive for" and after the second stricken "such" insert "the"

Page 43, line 6, reinstate the stricken language

Page 55, line 29, after the first "by" insert "certified or registered"

Page 56, line 7, delete "deposits" and insert "deposit"

Page 58, line 8, strike "Said" and insert "The"

Page 58, line 11, strike "so"

Page 58, line 16, strike "shall appeal" and insert "appeals" and strike "such" and insert "the"

Page 58, line 17, strike "said" and insert "the"

Page 59, line 2, delete "shall" and after "have" insert "the same" and delete "all"

Page 59, line 3, delete "had" and insert "did"

Page 59, delete lines 8 to 13 and insert:

"Section 19 is effective retroactively to July 4, 1982. Section 18 is effective retroactively to October 1, 1982. Any wage credits disallowed for benefit purposes due to the operation of the stricken clause (4) shall be reinstated and eligibility for regular benefits shall be extended from October 1, 1982, until the claimant is reemployed or the final approval of this act whichever is earlier. Section 2 is effective retroactively to January 1, 1983. Sections 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 14, 15, 16, 17, 20, 21, 22, 23, 24, 25, 26, 27, 31, 34, 35, 38, 39, 40, 41, 42, 43, and 47 are effective the day following final enactment. Sections 1, 13, 28, 29, 30, 32, 33, 36, 37, 44, 45, and 46 are effective August 1, 1983."

ReNUMBER the sections in sequence

Correct all internal cross references

Amend the title as follows:

Page 1, line 3, after "law;" insert "imposing an annual surcharge on employers' calendar year contributions for the purpose of repayment of interest charged on federal loans; creating the emergency interest repayment fund; adding a category to the extension of base period in the definition of base period;"

Page 1, line 9, after "subdivisions" insert "2,"

Page 1, line 12, after "268.07," delete "subdivision" and insert "sub-

divisions" and after "2" insert "and 3"

Page 1, line 13, before "3" delete "subdivision" and insert "subdivisions 1," and after "3," insert "6," and after "adding" delete "a subdivision" and insert "subdivisions"

Page 1, line 18, after "2;" insert "proposing new law coded in Minnesota Statutes, chapter 268;"

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

Mr. Solon from the Committee on Economic Development and Commerce, to which was re-referred

S.F. No. 889: A bill for an act relating to local government; clarifying powers of municipalities and redevelopment agencies with respect to acquisition, construction, leasing, selling, loan of funds, and issuance of revenue bonds for industrial development projects; amending Minnesota Statutes 1982, sections 474.03 and 474.06.

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

Page 1, line 15, strike "shall have"

Page 1, line 16, before "all" insert "has"

Page 2, line 28, strike "shall" and before "not" insert "may"

Page 3, line 10, strike "in such manner" and insert "so"

Page 3, line 11, strike "shall be" and insert "are" and strike the comma

Page 3, line 12, strike ", so as"

Page 3, line 14, strike ", and" and insert a period

Page 3, line 15, strike "shall" and insert "must"

Page 3, line 15, strike "shall be" and insert "is"

Page 3, line 19, strike "the" and insert "its"

Page 3, line 19, strike "thereof"

Page 4, line 5, strike "provided that" and insert ". However,"

Page 4, line 7, strike "shall" and insert "does"

Page 4, line 19, delete "may" and strike "find" and insert "finds"

Page 5, line 4, strike "such" and strike "as may be"

Page 5, line 6, strike "provided" and insert ". However"

Page 5, line 7, strike "shall" and insert "may"

Page 5, line 22, strike "such" in both places and insert "the" in both places

Page 5, line 22, strike "as"

Page 5, line 23, strike "may determine," and insert "determines."

Page 5, line 24, strike "provided," and strike "that"

Page 5, line 25, strike "shall ever" and insert "may"

Page 5, line 25, strike "such" and insert "a"

Page 5, line 25, strike "as to impair" and insert "*that impairs*"

Page 5, line 36, strike "such" and insert "*the*"

Page 5, line 36, strike "as may be"

Page 6, line 18, strike "may be" and insert "*is*"

Page 7, lines 4 and 10, delete the parenthesis and insert a comma

Page 7, line 6, delete the parenthesis

Page 7, line 11, delete the parenthesis and insert a period

Page 7, line 12, strike "and"

Page 7, line 12, strike "shall be" and insert "*is*"

Page 7, line 12, strike "then"

Page 7, line 13, strike "shall" and insert "*are*"

Page 7, line 14, strike "be"

Page 7, line 14, strike "in" and insert "*with*"

Page 7, line 14, strike "of any" and insert "*to*"

Page 7, line 15, strike ", and" and insert a period

Page 7, line 15, strike "be" and insert "*is*"

Page 7, line 15, strike "then" and insert a comma

Page 7, line 16, strike "shall"

Page 7, line 16, strike "in" and insert "*with*"

Page 7, line 16, strike "of" and insert "*to*"

Page 7, line 19, delete "*When*" and insert "*If*"

Page 7, line 21, delete "*shall be*" and insert "*is*"

Page 7, line 32, strike "shall" and insert "*must*"

Page 7, line 35, strike "shall" and insert "*is*" and strike "be"

Page 7, line 36, strike "any" and insert "*the*"

Page 8, lines 1 and 3, strike "such" and insert "*the*"

Page 8, line 3, strike ", as may be"

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

Mr. Solon from the Committee on Economic Development and Commerce, to which was referred

S.F. No. 722: A bill for an act relating to commerce; securities and real

estate; modifying the definitions of "investment adviser" and "franchise"; clarifying the definition of "trust account"; defining and regulating investment adviser representatives; expanding the regulation of investment advisers; exempting certain persons from the definition of real estate broker; modifying real estate education requirements; providing for the suspension of a broker's or salesperson's license pending a hearing; continuing the existence of the real estate advisory council; clarifying the intent of certain language relating to the real estate education, research, and recovery fund; modifying an exemption from the registration and annual report requirements for social and charitable organizations; repealing the corporate takeover act; amending Minnesota Statutes 1982, sections 80A.02; 80A.04, subdivisions 2 and 3; 80A.07, subdivisions 1 and 3, and by adding a subdivision; 80A.09, subdivision 1; 80A.14, subdivisions 8, 9, and by adding a subdivision; 80C.01, subdivision 4; 82.17, subdivisions 4 and 6; 82.18; 82.22, subdivisions 6, 8, and 10; 82.27, subdivision 3; 82.30; 82.34, subdivision 7; 309.515, subdivision 1; repealing Minnesota Statutes 1982, sections 80B.01 to 80B.13; and 82.22, subdivisions 7 and 9.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1982, section 80A.02, is amended to read:

80A.02 [ADVISORY PROHIBITED ACTIVITIES.]

Subdivision 1. [ADVISORY ACTIVITIES.] It is unlawful for any person who receives, *directly or indirectly*, any consideration from another person primarily for advising the other person as to the value of securities or their purchase or sale, ~~whether through the issuance of analyses or reports or otherwise:~~

(a) to employ any device, scheme, or artifice to defraud the other person;
or

(b) to engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon the other person; *or*

(c) to knowingly sell any security to or purchase any security from a client while acting as principal for his or her own account or knowingly effect any sale or purchase of any security for the account of a client while acting as broker for a person other than the client, unless that person discloses to the client in writing before the execution of the transaction the capacity in which he or she is acting and obtains the consent of the client to the transaction.

Subd. 1a. [SOLICITATION ACTIVITIES.] In the solicitation of advisory clients, it is unlawful for any person to make any untrue statements of material facts, or, in light of the circumstances under which they are made, to omit to state material facts necessary in order to make the statements made not misleading.

Subd. 2. [CONTRACT ACTIVITIES.] It is unlawful for any investment adviser to enter into, extend, or renew any investment advisory contract the terms of which are in contravention of ~~such rules and regulations as the commissioner may prescribe~~ *prescribes* as necessary or appropriate in the

public interest or for the protection of investors.

Subd. 3. [ACTIVITIES AS CUSTODIAN OF CERTAIN FUNDS.] It is unlawful for any investment adviser to take or have custody of any securities or funds of any client in contravention of ~~such rules and regulations as the commissioner may prescribe~~ *prescribes* as necessary or appropriate in the public interest or for the protection of investors.

Sec. 2. Minnesota Statutes 1982, section 80A.04, subdivision 2, is amended to read:

Subd. 2. It is unlawful for any broker-dealer or issuer to employ an agent to represent him *or her* in this state unless the agent is licensed. The licensing of an agent is not effective during any period when he *or she* is not associated with a specified broker-dealer licensed under this chapter or a specified issuer. No agent shall at any time represent more than one broker-dealer or issuer, except that where broker-dealers affiliated by direct common control are licensed under this chapter, an agent may represent ~~any such~~ *the* broker-dealer. When an agent begins or terminates his *or her* employment with a broker-dealer or issuer, or begins or terminates those activities which make ~~him~~ *that person* an agent, the agent as well as the broker-dealer or issuer shall promptly notify the commissioner *or his or her designated representative*.

Sec. 3. Minnesota Statutes 1982, section 80A.04, subdivision 3, is amended to read:

Subd. 3. It is unlawful for any person to transact business in this state as an investment adviser unless ~~he~~ *that person* is so licensed or licensed as a broker-dealer under this chapter or unless his *or her* only clients in this state are ~~persons to whom sales are exempted under section 80A.15, subdivision 2, clause (g)~~ *investment companies as defined in the Investment Company Act of 1940, other investment advisers, broker-dealers, banks, trust companies, savings and loan associations, insurance companies, employee benefit plans, corporations with a class of equity securities registered under section 12(g) of the Securities Exchange Act of 1934, small business investment companies, and government agencies or instrumentalities, whether acting for themselves or as trustees with investment control, or other institutional investors designated by rule or order of the commissioner.*

Sec. 4. Minnesota Statutes 1982, section 80A.07, subdivision 1, is amended to read:

Subdivision 1. The commissioner may by order deny, suspend, or revoke any license or may censure the licensee, if he *or she* finds (a) that the order is in the public interest and (b) that the applicant or licensee or, in the case of a broker-dealer or investment adviser, any partner, officer, or director, any person occupying a similar status or performing similar functions, or any person directly or indirectly controlling the broker-dealer or investment adviser:

(1) has filed an application for license which as of its effective date, or as of any date after filing in the case of an order denying effectiveness, was incomplete in any material respect or contained any statement which was, in light of the circumstances under which it was made, false or misleading with respect to any material fact;

(2) has willfully violated or failed to comply with any provision of this chapter or a predecessor law or *any provision of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Advisers Act of 1940, the Investment Company Act of 1940, the Commodity Exchange Act, or any rule under any of these statutes, or any order thereunder of which he or she has notice and to which he or she is subject;*

(3) has been convicted, within the past ten years, of any misdemeanor involving a security or any aspect of the securities business, or any felony;

(4) is permanently or temporarily enjoined by any court of competent jurisdiction from engaging in or continuing any conduct or practice involving any aspect of the securities business;

(5) is the subject of an order of the commissioner denying, suspending, or revoking a license as a broker-dealer, agent or investment adviser;

(6) is the subject of an order entered within the past five years by the securities administrator of any other state or by the securities and exchange commission denying or revoking registration or license as a broker-dealer, agent, or investment adviser, or is the subject of an order of the securities and exchange commission suspending or expelling ~~him~~ *that person* from a national securities exchange or association registered under the Securities Exchange Act of 1934, or is the subject of a United States post office fraud order; ~~but~~. The commissioner may not institute a revocation or suspension proceeding under this clause more than one year from the date of the order relied on, and may not enter an order under this clause on the basis of an order under another state law unless the order was based on facts which would currently constitute a ground for an order under this section;

(7) has engaged in dishonest or fraudulent practices in the securities business;

(8) has failed to maintain the minimum net capital or to comply with the limitation on aggregate indebtedness which the commissioner by rule prescribes;

(9) is not qualified on the basis of such factors as training, experience, and knowledge of the securities business;

(10) has failed reasonably to supervise ~~his agents if he is a broker-dealer, investment adviser representatives, or his employees if he is an investment adviser~~ *to assure their compliance with this chapter;*

(11) has failed to pay the proper filing fee, but the commissioner shall vacate the order when the deficiency has been corrected;

(12) has offered or sold securities in this state through any unlicensed agent;

(13) has made any material misrepresentation to the commissioner, or upon request reasonably made by the commissioner, has withheld or concealed information from, or refused to furnish information to, the commissioner; or

(14) has failed to reasonably supervise the agents ~~of a broker-dealer, investment adviser representatives, or the employees of an investment adviser~~ if he or she has assumed or has been designated to carry out the supervisory

procedures of the broker-dealer or investment adviser.

Sec. 5. Minnesota Statutes 1982, section 80A.07, is amended by adding a subdivision to read:

Subd. 1a. [INVESTMENT ADVISER REPRESENTATIVES.] The commissioner, by order, shall censure or place limitations on the activities of any investment adviser representative or person seeking to become an investment adviser representative, or suspend or bar any person from being an investment adviser representative, if the commissioner finds, after notice and opportunity for hearing, that the censure, placing of limitations, suspension, or bar is in the public interest and that the person has committed or omitted any act or omission enumerated in subdivision 1. It is unlawful for any person as to whom an order suspending or barring him from being an investment adviser representative is in effect willfully to become, or to be, associated with an investment adviser without the consent of the commissioner, and it is unlawful for any investment adviser to permit this person to become, or remain, an investment adviser representative without the consent of the commissioner, if the investment adviser knew, or in the exercise of reasonable care, should have known of the order.

Sec. 6. Minnesota Statutes 1982, section 80A.07, subdivision 3, is amended to read:

Subd. 3. The commissioner may issue an order requiring a licensee or an applicant for a license to show cause why the license should not be revoked or the application denied. The order shall must be calculated to give reasonable notice of the time and place for hearing thereon, and shall must state the reasons for the entry of the order. The commissioner may by order summarily suspend a license, or in the case of an investment adviser representative or person seeking to become an investment adviser representative, summarily suspend or ban that person from acting in that capacity, pending final determination of any order to show cause. If a license is suspended pending final determination of an order to show cause, a hearing on the merits shall must be held within 30 days of the issuance of the order of suspension. All hearings shall must be conducted in accordance with the provisions of chapter 14. After the hearing, the commissioner shall enter an order making such a disposition of the matter as the facts require. If the licensee or applicant fails to appear at a hearing of which he or she has been duly notified, such the person shall be deemed in default and the proceeding may be determined against him upon consideration of the order to show cause, the allegations of which may be deemed to be true. The commissioner may adopt rules of procedure concerning all proceedings conducted pursuant to this subdivision.

Sec. 7. Minnesota Statutes 1982, section 80A.09, subdivision 1, is amended to read:

Subdivision 1. The following securities may be registered by notification:

(a) any industrial revenue bond, the interest on which is exempt from tax under ~~section 290.08, subdivision 7~~ chapter 290; and

(b) any securities issued by a person organized exclusively for social, religious, educational, benevolent, fraternal, charitable, reformatory, athletic, chamber of commerce, trade, industrial development, or professional

association purposes and not for pecuniary gain, and no part of the net earnings of which inures to the benefit of any private stockholder or individual; provided that no securities issued by any person offering and furnishing a burial service or funeral benefit, directly or indirectly for financial consideration, may be registered under this section.

Sec. 8. Minnesota Statutes 1982, section 80A.14, subdivision 8, is amended to read:

Subd. 8. [INDUSTRIAL REVENUE BOND.] "Industrial revenue bond" means any obligation issued by a governmental unit (including the United States, any state, any political subdivision of a state, or any agency or corporate or other instrumentality of one or more of the foregoing), other than a general obligation of a governmental unit having power to tax property or of an agency of the state of Minnesota, (1) which is issued as part of an issue, all or a major portion of the proceeds of which are to be used directly or indirectly in any trade or business carried on by any person who is not an exempt person, and (2) the payment of the principal or interest on which (under the terms of ~~such~~ the obligation or any underlying arrangement) is, in whole or in major part, (i) secured by any interest in property used or to be used in a trade or business or in payment in respect of ~~such~~ this property, or (ii) to be derived from payments in respect of property or borrowed money, used or to be used in a trade or business. For purposes of the preceding sentence, an exempt person is ~~a one of the following governmental unit units or an organization described in Minnesota Statutes 1971, Section 290.05, Subdivision 1, Clauses (h) and (i) organizations or any other governmental unit or organization which the commissioner may by rule or order designate:~~

(1) corporations operating or conducting public burying grounds, public schoolhouses, public hospitals, academies, colleges, universities, seminaries of learning, churches, houses of worship, and institutions of purely public charity, no part of the net income of which inures to the benefit of any private member, stockholder, or individual; or

(2) any corporation, fund, foundation, trust, or association organized for exclusively scientific, literary, religious, charitable, educational, or artistic purposes, or for the purpose of making contributions to or for the use of the United States of America, the state of Minnesota, or any of its political subdivisions for exclusively public purposes, or for any combination of the above enumerated purposes, if no part of the net income of the corporation, fund, foundation, trust, or association inures to the benefit of any private member, stockholder, or individual.

Sec. 9. Minnesota Statutes 1982, section 80A.14, subdivision 9, is amended to read:

Subd. 9. [INVESTMENT ADVISER.] "Investment adviser" means any person who, for compensation, engages in the business of advising others, either directly or through publications ~~or~~, writings or electronic means, as to the value of securities or as to the advisability of investing in, purchasing, or selling securities, or who, for compensation and as a part of a regular business, issues or promulgates analyses or reports concerning securities. "Investment adviser" does not include:

(1) a bank, savings institution, or trust company;

(2) a lawyer, accountant, engineer, or teacher whose performance of these services is solely incidental to the practice of his profession;

(3) a broker-dealer whose performance of these services is solely incidental to the conduct of his *or her* business as a broker-dealer and who receives no special compensation for them;

(4) a publisher of any ~~bona fide~~ newspaper, news column, newsletter, news magazine, or business or financial publication of ~~general, regular and paid circulation; or service, whether communicated in hard copy form, or by electronic means, or otherwise, that does not consist of the rendering of advice on the basis of the specific investment situation of each client; or~~

(5) a person whose ~~advice, analyses or reports relate only to securities exempted by section 80A.15, subdivision 1, clause (a);~~

(6) a person whose ~~only clients in this state are other investment advisers or persons to whom sales are exempted under section 80A.15, subdivision 2, clause (g); or~~

(7) ~~such~~ other persons not within the intent of this subdivision as the commissioner may by rule or order designate.

Sec. 10. Minnesota Statutes 1982, section 80A.14, subdivision 12, is amended to read:

Subd. 12. [INVESTMENT METAL CONTRACT.] "Investment metal contract" or "investment gem contract" means:

(i) a sale of an investment metal or investment gem in which the seller or an affiliate of the seller retains possession of the investment metal or investment gem; or

(ii) a contract of purchase or sale which provides for the future delivery of an investment metal or investment gem, or any option to purchase or option to sell such a contract; or

(iii) a sale of an investment metal or investment gem pursuant to a contract known to the trade as a margin account, margin contract, leverage account, or leverage contract.

"Investment metal contract" or "investment gem contract" ~~shall~~ does not include:

(i) the sale of an investment metal or investment gem ~~where~~ if the seller has reasonable grounds to believe that the investment metal or investment gem is being acquired for manufacturing, commercial, or industrial purposes; or

(ii) the sale, or contract for the future purchase or sale, of jewelry, art objects or other manufactured or crafted goods other than bullion, or bulk sales of coins; or

(iii) the sale of an investment metal or investment gem ~~where~~ if full payment is made to the seller and delivery of the investment metal or investment gem is made to the purchaser or to a bank, savings institution, trust company, broker-dealer, or safe deposit company designated by the purchaser, within 20 days of the date of purchase ~~provided that a purchaser may designate a~~ if the bank, savings institution, trust company, or licensed broker-dealer, or safe deposit company is located within this state, to accept delivery

on his behalf if the bank, savings institution, trust company or licensed broker-dealer maintains the investment metal or investment gem in safe keeping and as the specifically identifiable property of the purchaser and is, if required, licensed under the laws of this state; but a safe deposit company accepting the delivery may not be an affiliate of the seller; or

(iv) any futures contracts traded on a commodities exchange registered under the Federal Commodity Futures Trading Commission Act of 1974.

Sec. 11. Minnesota Statutes 1982, section 80A.14, is amended by adding a subdivision to read:

Subd. 9a. [INVESTMENT ADVISER REPRESENTATIVE.] "Investment adviser representative" means any partner, officer, or director of an investment adviser, or any person performing similar functions, or any person, directly or indirectly, controlling or controlled by an investment adviser, including any employee of an investment adviser who provides investment advice to clients.

Sec. 12. Minnesota Statutes 1982, section 82.17, subdivision 4, is amended to read:

Subd. 4. "Real estate broker" or "broker" means any person who:

(a) for another and for commission, fee or other valuable consideration or with the intention or expectation of receiving the same directly or indirectly lists, sells, exchanges, buys or rents, manages, or offers or attempts to negotiate a sale, option, exchange, purchase or rental of an interest or estate in real estate, or advertises or holds himself, *herself*, or itself out as engaged in ~~such~~ *these* activities;

(b) for another and for commission, fee or other valuable consideration or with the intention or expectation of receiving the same directly or indirectly negotiates or offers or attempts to negotiate a loan, secured or to be secured by a mortgage or other encumbrance on real estate;

(c) for another and for commission, fee or other valuable consideration or with the intention or expectation of receiving the same directly or indirectly lists, sells, exchanges, buys, rents, manages, offers or attempts to negotiate a sale, option, exchange, purchase or rental of any business opportunity or business, or its goodwill, inventory, or fixtures, or any interest therein;

(d) for another and for commission, fee or other valuable consideration or with the intention or expectation of receiving the same directly or indirectly offers, sells or attempts to negotiate the sale of property that is subject to the registration requirements of chapter 83, concerning subdivided land;

(e) engages in the business of charging an advance fee or contracting for collection of a fee in connection with any contract whereby he *or she* undertakes to promote the sale of real estate through its listing in a publication issued primarily for ~~such~~ *this* purpose;

(f) engages wholly or in part in the business of selling real estate to the extent that a pattern of real estate sales is established, whether or not ~~such~~ *the* real estate is owned by ~~such~~ *the* person. A person shall be presumed to be engaged in the business of selling real estate if ~~such~~ *the* person engages as principal in five *or more* transactions during any 12-month period, *unless*

the person is represented by a licensed real estate broker or salesperson.

Sec. 13. Minnesota Statutes 1982, section 82.17, subdivision 6, is amended to read:

Subd. 6. "Trust account" means, *for purposes of this chapter*, a demand deposit or checking account maintained for the purpose of segregating trust funds from other funds. A trust account shall not be an interest bearing account except by agreement of the parties and subject to ~~regulations~~ *rules* of the commissioner, *and shall not allow the financial institution a right of set off against moneys owed it by the licensee.*

Sec. 14. Minnesota Statutes 1982, section 82.18, is amended to read:

82.18 [EXCEPTIONS.]

Unless a person is licensed or otherwise required to be licensed under this chapter, the term real estate broker does not include:

(a) a licensed practicing attorney acting solely as an incident to the practice of law, provided, however, that the attorney complies in all respects with the trust account provisions of this chapter;

(b) a receiver, trustee, administrator, guardian, executor, or other person appointed by or acting under the judgment or order of any court;

(c) any person owning and operating a cemetery and selling lots therein solely for use as burial plots;

(d) any custodian, janitor, or employee of the owner or manager of a residential building who leases residential units in ~~such~~ *the* building;

(e) any bank, trust company, savings and loan association, public utility, or any land mortgage or farm loan association organized under the laws of this state or the United States, when engaged in the transaction of business within the scope of its corporate powers as provided by law;

(f) public officers while performing their official duties;

(g) employees of persons enumerated in clauses (b), (e) and (f), when engaged in the specific performance of their duties;

(h) any person who acts as an auctioneer bonded in conformity with section 330.02, when ~~he~~ *that person* is engaged in the specific performance of his *or her* duties as an auctioneer;

(i) any person who acquires ~~such~~ real estate for the purpose of engaging in and does engage in, or who is engaged in the business of constructing residential, commercial or industrial buildings for the purpose of resale, ~~provided that~~ *if* no more than 25 such transactions occur in any 12-month period and that the person complies with section 82.24;

(j) any person who offers to sell or sells an interest or estate in real estate which is a security registered pursuant to chapter 80A, when acting solely as an incident to the sale of ~~such~~ *these* securities;

(k) any person who offers to sell or sells a business opportunity which is a franchise registered pursuant to chapter 80C, when acting solely to sell the franchise;

(l) any person who contracts with or solicits on behalf of a provider a

contract with a resident or prospective resident to provide continuing care in a facility, pursuant to the continuing care facility disclosure and rehabilitation act (chapter 80D), when acting solely as incident to the contract;

(m) any broker-dealer or agent of a broker-dealer when participating in a transaction in which all or part of a business opportunity or business, including any interest therein, is conveyed or acquired pursuant to an asset purchase, merger, exchange of securities or other business combination, if the agent or broker-dealer is licensed pursuant to chapter 80A.

Sec. 15. Minnesota Statutes 1982, section 82.27, subdivision 3, is amended to read:

Subd. 3. The commissioner shall issue an order requiring a licensee or applicant for a license to show cause why the license should not be revoked or suspended, or the licensee censured, or the application denied. The order ~~shall~~ *must* be calculated to give reasonable notice of the time and place for hearing thereon, and shall state the reasons for the entry of the order. *The commissioner may by order summarily suspend a license pending final determination of any order to show cause. If a licensee is suspended pending final determination of an order to show cause, a hearing on the merits shall be held within 30 days of the issuance of the order of suspension.* All hearings ~~shall~~ *must* be conducted in accordance with the provisions of chapter 14. After the hearing, the commissioner shall enter an order ~~making such disposition~~ *disposing* of the matter as the facts require. If the licensee or applicant fails to appear at a hearing of which he has been duly notified, ~~such person~~ *he* shall be deemed in default, and the proceeding may be determined against him upon consideration of the order to show cause, the allegations of which may be deemed to be true.

Sec. 16. Minnesota Statutes 1982, section 82.34, subdivision 7, is amended to read:

Subd. 7. When any aggrieved person obtains a final judgment in any court of competent jurisdiction against any person licensed under this chapter, on grounds of fraudulent, deceptive or dishonest practices, or conversion of trust funds arising directly out of any transaction when the judgment debtor was licensed and performed acts for which a license is required under this chapter, or performed acts permitted by section 327.55, subdivision 1a, and which cause of action occurred on or after July 1, 1973, the aggrieved person may, upon the final judgment becoming final, and upon termination of all proceedings, including reviews and appeals, file a verified application in the court in which the judgment was entered for an order directing payment out of the recovery portion of the fund of the amount of actual and direct out of pocket loss in ~~such~~ *the* transaction, ~~but~~ *excluding any attorney's fees,* interest on the loss and on any judgment obtained as a result of ~~such~~ *the* loss, up to the sum of \$20,000 of the amount unpaid upon the judgment, ~~provided that~~ *provided that*. However, nothing in this chapter shall be construed to obligate the fund for more than \$20,000 per transaction, subject to the limitations set forth in subdivisions 12 and 14, regardless of the number of persons aggrieved or parcels of real estate involved in ~~such~~ *the* transaction. A copy of the verified application ~~shall~~ *must* be served upon the commissioner and upon the judgment debtor, and a certificate or affidavit of ~~such~~ *such* service filed with the court. *For the purpose of this section "aggrieved person" does not*

include a real estate licensee seeking to recover a commission.

Sec. 17. Minnesota Statutes 1982, section 309.515, subdivision 1, is amended to read:

Subdivision 1. Subject to the provisions of subdivisions 2 and 3, sections 309.52 and 309.53 ~~shall~~ do not apply to any of the following:

(a) Charitable organizations:

(1) which did not receive total contributions in excess of \$10,000 from the public within or without this state during the accounting year last ended, and

(2) which do not plan to receive total contributions in excess of such amount from the public within or without this state during any accounting year, and

(3) whose functions and activities, including fund raising, are performed wholly by persons who are unpaid for their services, and

(4) none of whose assets or income inure to the benefit of or are paid to any officer.

For purposes of this chapter, a charitable organization shall be deemed to receive in addition to ~~such~~ contributions as are solicited from the public by it, ~~such the~~ contributions as are solicited from the public by any other person and transferred to it. Any organization constituted for a charitable purpose receiving an allocation from a community chest, united fund or similar organization shall be deemed to have solicited that allocation from the public.

(b) A religious society or organization ~~which received more than half of the contributions it received in the accounting year last ended (1) from persons who are members of the organization; or (2) from a parent organization or affiliated organization; or (3) from a combination of the sources listed in clauses (1) and (2).~~ A religious society or organization which solicits from its religious affiliates who are qualified under this subdivision and who are represented in a body or convention is exempt from the requirements of sections 309.52 and 309.53. The term "member" shall not include those persons who are granted a membership upon making a contribution as a result of a solicitation.

(c) Any educational institution ~~which~~ is under the general supervision of the state board of education, the state university board, the state board for community colleges, or the university of Minnesota or any educational institution ~~which~~ is accredited by the university of Minnesota or the North Central association of colleges and secondary schools, or by any other national or regional accrediting association.

(d) A fraternal, patriotic, social, educational, alumni, professional, trade or learned society which limits solicitation of contributions to persons who have a right to vote as a member. The term "member" ~~shall~~ does not include those persons who are granted a membership upon making a contribution as the result of a solicitation.

(e) A charitable organization soliciting contributions for any person specified by name at the time of the solicitation if all of the contributions received are transferred to the person named with no restrictions on his expenditure of it and with no deductions whatsoever.

(f) A private foundation, as defined in section 509(a) of the Internal Revenue Code of 1954, which did not solicit contributions from more than 100 persons during the accounting year last ended.”

Delete the title and insert:

“A bill for an act relating to commerce; securities and real estate; modifying the definition of “investment adviser”; clarifying the definition of “trust account”; modifying the definition of “investment metal contract”; defining and regulating investment adviser representatives; expanding the regulation of investment advisers; exempting certain persons from the definition of real estate broker; providing for the suspension of a broker’s or salesperson’s license pending a hearing; clarifying the intent of certain language relating to the real estate education, research, and recovery fund; modifying an exemption from the registration and annual report requirements for social and charitable organizations; amending Minnesota Statutes 1982, sections 80A.02; 80A.04, subdivisions 2 and 3; 80A.07, subdivisions 1 and 3, and by adding a subdivision; 80A.09, subdivision 1; 80A.14, subdivisions 8, 9, 12, and by adding a subdivision; 82.17, subdivisions 4 and 6; 82.18; 82.27, subdivision 3; 82.34, subdivision 7; 309.515, subdivision 1.”

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

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

S.F. No. 716: A bill for an act relating to courts; providing for transcript fees in the second judicial district; amending Minnesota Statutes 1982, section 486.06; proposing new law coded in Minnesota Statutes, chapter 486.

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

Page 1, line 12, strike “his” and delete “or her” and insert “a”

Page 1, lines 13 and 14, strike “thereof” and insert “of it”

And when so amended the bill do pass and be placed on the Consent Calendar. Amendments adopted. Report adopted.

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

S.F. No. 53: A bill for an act relating to acknowledgement of instruments; providing that legal documents can be signed and certified to be true under penalty of perjury in lieu of acknowledgement in the presence of a notary public; prescribing penalties; amending Minnesota Statutes 1982, section 609.48, subdivision 1, and by adding a subdivision; proposing new law coded in Minnesota Statutes, chapter 358.

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

Page 1, line 18, delete “or permitted”

Page 1, line 23, after the comma, insert “or to any instrument to be recorded in the office of the county recorder or to be filed in the office of the

registrar of titles,”

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

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

S.F. No. 666: A bill for an act relating to utilities; providing a penalty for failure to relinquish a coin-operated telephone for an emergency and other telephone-related situations; amending Minnesota Statutes 1982, section 609.78.

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

Page 1, line 19, strike “therefor”

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

Mr. Moe, D. M. from the Committee on Governmental Operations, to which was referred

H.F. No. 706: A bill for an act relating to retirement; public employees retirement association; providing for refund of contributions after a layoff of 120 calendar days; amending Minnesota Statutes 1982, section 353.34, subdivision 1.

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

Mr. Moe, D. M. from the Committee on Governmental Operations, to which was referred

H.F. No. 597: A bill for an act relating to retirement; adding a correctional employees plan member to the state retirement system board; consolidating and eliminating obsolete language; amending Minnesota Statutes 1982, sections 352.03, subdivision 1; and 352B.29.

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

Mr. Moe, D. M. from the Committee on Governmental Operations, to which was referred

H.F. No. 277: A bill for an act relating to the city of Virginia; authorizing increases in service pensions and survivor benefits for certain retired members and survivors of the Virginia firefighter's relief association.

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

Mr. Moe, D. M. from the Committee on Governmental Operations, to which was referred

H.F. No. 396: A bill for an act relating to retirement; authorizing benefit increases for retired Eveleth police officers, firefighters, and surviving

spouses.

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

Mr. Moe, D. M. from the Committee on Governmental Operations, to which was referred

H.F. No. 638: A bill for an act relating to retirement; authorizing increases in survivor benefits payable by the Hibbing police relief association; amending Laws 1967, chapter 678, section 2, as amended.

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

Mr. Moe, D. M. from the Committee on Governmental Operations, to which was referred

H.F. No. 573: A bill for an act relating to retirement; Brooklyn Park volunteer firefighters relief association; repealing Laws 1975, chapter 237, as amended.

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

Mr. Moe, D. M. from the Committee on Governmental Operations, to which was referred

H.F. No. 430: A bill for an act relating to retirement; authorizing the purchase of annuity contracts for retiring Tracy firefighters.

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

Mr. Moe, D. M. from the Committee on Governmental Operations, to which was referred

S.F. No. 436: A bill for an act relating to retirement; miscellaneous amendments to the law governing the public employees retirement association; amending Minnesota Statutes 1982, sections 353.27, subdivisions 4 and 12; 353.28, subdivision 5; 353.29, subdivisions 6 and 8; 353.32, subdivision 1; 353.33, subdivision 5; and 353.34, subdivision 2.

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

Mr. Moe, D. M. from the Committee on Governmental Operations, to which was referred

S.F. No. 833: A bill for an act relating to retirement; White Bear Lake volunteer firefighters; providing for incentive benefit amounts, validating prior actions; repealing Laws 1971, chapter 214; Laws 1979, chapter 201, sections 30 and 31; Laws 1981, chapter 224, section 257.

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

Mr. Moe, D. M. from the Committee on Governmental Operations, to which was referred

S.F. No. 272: A bill for an act relating to Hennepin County; authorizing employees to withdraw from participation in the Hennepin County supplemental retirement fund.

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

Page 1, line 8, delete "*section 1.*"

And when so amended the bill do pass and be placed on the Consent Calendar. Amendments adopted. Report adopted.

Mr. Moe, D. M. from the Committee on Governmental Operations, to which was referred

S.F. No. 659: A bill for an act relating to the city of Crookston; providing for membership in the public employees police and fire fund by a certain police officer.

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

Page 1, line 16, after the period, insert "*The amount and manner of payment shall be governed by the provisions of Laws 1982, chapter 578, article II, section 2, subdivisions 1 to 3, as amended.*"

Page 1, line 19, after "*fund*" insert "*as a portion of the employee payment*"

Page 1, line 19, delete everything after the period

Page 1, delete lines 20 to 25

Page 2, delete line 1

Page 2, line 2, delete "*fire fund.*"

And when so amended the bill do pass and be placed on the Consent Calendar. Amendments adopted. Report adopted.

Mr. Moe, D. M. from the Committee on Governmental Operations, to which was referred

S.F. No. 767: A bill for an act relating to retirement; authorizing the purchase of prior service credit in the Minnesota state retirement system by certain employees or former employees of joint legislative agencies or commissions.

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

Page 1, line 8, after "*1.*" insert "[352D.11]"

Page 1, line 14, after "*of*" insert "*the senate, the house of representatives, or of*"

Page 1, line 16, after "*of*" insert "*the senate, the house of representa-*

tives, or of

Page 2, line 12, after "*established*" insert "*for current or former employees*"

Page 2, line 12, after "*appropriate*" insert "*employer:*

(1) *by the committee on rules and administration of the senate;*

(2) *by the committee on rules and legislative administration of the house of representatives; or*

(3) *by the*"

Page 2, line 24, delete everything after "*the*"

Page 2, line 25, delete "*commission employing*" and insert "*current employer of*"

Page 2, line 26, after "*appropriation*" insert "*made to the respective legislative expense funds or the appropriation*"

Page 2, delete subdivision 5

Amend the title as follows:

Page 1, line 4, after "*of*" insert "*the legislature or*"

Page 1, line 5, after "*commissions*" insert "*;* proposing new law coded in Minnesota Statutes, chapter 352D"

And when so amended the bill do pass and be placed on the Consent Calendar. Amendments adopted. Report adopted.

Mr. Moe, D. M. from the Committee on Governmental Operations, to which was referred

S.F. No. 827: A bill for an act relating to retirement; public employees retirement association; optional annuity election for disabled member.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1982, section 353.33, subdivision 3a, is amended to read:

Subd. 3a. [OPTIONAL ANNUITY ELECTION.] A disabled member may elect to receive the normal disability benefit or an optional annuity as provided in section 353.30, subdivision 3. The election of an optional annuity shall be made prior to the commencement of payment of the disability benefit and shall be effective 30 days after receipt of the election or the date on which the disability benefit begins to accrue as provided in subdivision 2, whichever occurs later. Upon becoming effective, The optional annuity shall begin to accrue on the same date as provided for the disability benefit.

Sec. 2. Minnesota Statutes 1982, section 353.656, subdivision 1a, is amended to read:

Subd. 1a. [OPTIONAL ANNUITY ELECTION.] A disabled member of

the police and fire fund may elect to receive the normal disability benefit or an optional annuity as provided in section 353.30, subdivision 3. The election of an optional annuity shall be made prior to commencement of payment of the disability benefit and shall be effective 30 days after receipt of the election or the date on which the disability benefit begins to accrue, whichever occurs later. Upon becoming effective, The optional annuity shall begin to accrue on the same date as provided for the disability benefit.

Sec. 3. [EFFECTIVE DATE.]

This act is effective the day following final enactment and applies retroactively to May 1, 1981."

Amend the title as follows:

Page 1, line 3, delete everything after the semicolon and insert "removing a waiting period prior to the effect of an optional annuity for disabilitants; amending Minnesota Statutes 1982, sections 353.33, subdivision 3a; and 353.656, subdivision 1a."

Page 1, delete line 4

And when so amended the bill do pass and be placed on the Consent Calendar. Amendments adopted. Report adopted.

Mr. Moe, D. M. from the Committee on Governmental Operations, to which was referred

S.F. No. 112: A bill for an act relating to retirement; providing post retirement annuity or benefit increases for certain retired or disabled public employees.

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

Page 2, line 33, delete "December 1, 1983, and"

Page 2, line 34, delete "adjustments" and insert " adjustment"

Page 3, line 7, after the dollar sign, insert "10,750,000"

Page 3, line 12, after "fund" insert "\$1,904,736" "\$1,963,075"

Page 3, line 13, after "fund" insert "\$76,016" "\$80,767"

Page 3, line 14, after "fund" insert "\$1,545,520" "\$1,633,904"

Page 3, line 15, after "fund" insert "\$59,008" "\$62,067"

Page 3, line 16, after "fund" insert "\$1,352,128" "\$1,393,541"

Page 3, line 17, after "fund" insert "\$308,688" "\$323,068"

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

Mr. Moe, D. M. from the Committee on Governmental Operations, to which was referred

S.F. No. 900: A bill for an act relating to retirement; teachers; definitions, coordination with social security benefits, and various administrative

changes; amending Minnesota Statutes 1982, sections 354.05, subdivisions 2 and 35; 354.44, subdivision 5; 354.52, subdivision 4; and 354.63, subdivision 2.

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

Page 3, line 14, delete the new language and insert "*Severance payments includes, but is not limited*"

Page 5, line 12, after the period, insert "*This section is applicable for persons who retired effective July 1, 1982 or later.*"

Page 5, after line 17, insert:

"Sec. 6. Laws 1982, Third Special Session chapter 1, article II, section 7, is amended to read:

[356.62] [PAYMENT OF EMPLOYEE CONTRIBUTION.]

For purposes of any public pension plan, as defined in section ~~356.60, subdivision 1, clause (a)~~ 356.61, each employer shall pick up the employee contributions required pursuant to law or the pension plan for all salary payable after December 31, 1982. If the United States Treasury department or a federal court rules that pursuant to section 414(h) of the Internal Revenue Code of 1954, as amended, that these picked up contributions, are not includable in the employee's adjusted gross income until they are distributed or made available, then these picked up contributions shall be treated as employer contributions in determining tax treatment pursuant to the Internal Revenue Code of 1954, as amended, and the employer shall discontinue withholding federal income taxes on the amount of these contributions. The employer shall pay these picked up contributions from the same source of funds as is used to pay the salary of the employee. The employer shall pick up these employee contributions by a reduction in the cash salary of the employee.

Employee contributions that are picked up shall be treated for all purposes of the public pension plan in the same manner and to the same extent as employee contributions that were made prior to the date on which the employee contributions pick up began. *The amount of the employee contributions that are picked up shall be included in the salary upon which retirement coverage is credited and retirement and survivor's benefits are determined.* For purposes of this section, "employee" means any person covered by a public pension plan. For purposes of this section, "employee contributions" include any sums deducted from the employee's salary or wages or otherwise paid in lieu thereof, regardless of whether they are denominated contributions by the public pension plan.

For any calendar year in which withholding has been reduced pursuant to this section, the ~~association or agency administering the plan~~ employing unit shall supply each employee and the commissioner of revenue with an information return indicating the amount of the employer's picked-up contributions for the calendar year that were not subject to withholding. This return shall be provided to the employee not later than January 31 of the succeeding calendar year. The commissioner of revenue shall prescribe the form of the return and the provisions of sections 290.41 and 290.42 shall apply to

the extent not inconsistent with the provisions of this section.”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 7, after “2” insert “; and Laws 1982, Third Special Session chapter 1, article II, section 7”

And when so amended the bill do pass and be placed on the Consent Calendar. Amendments adopted. Report adopted.

Mr. Moe, D. M. from the Committee on Governmental Operations, to which was referred

S.F. No. 294: A bill for an act relating to retirement; police and salaried firefighters relief associations; modifying the governance of the trust funds after the local relief association ceases to exist; amending Minnesota Statutes 1982, section 423A.01, subdivision 2.

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

Page 2, line 16, after the period, insert “*Recipient beneficiaries who are competent to act on their own behalf shall be entitled to select the prescribed number of trustees of the trust fund as provided in this clause, subject to the approval of the governing body of the municipality.*”

Page 4, after line 16, insert:

“Sec. 2. Minnesota Statutes 1982, section 423A.01, subdivision 4, is amended to read:

Subd. 4. [AUTOMATIC POST RETIREMENT ADJUSTMENTS FOR CERTAIN NEWLY EMPLOYED, ACTIVE AND RETIRED MEMBERS.] (1) Notwithstanding any provision of law, municipal charter, municipal ordinance or resolution, or relief association articles of incorporation or bylaws to the contrary, any person who meets one of the following requirements for entitlement shall be entitled to an annual automatic post retirement adjustment in the amount of the service pension calculated pursuant to clause (2). A person meets the requirements for entitlement if:

(a) the person is a member of a covered local police or salaried firefighters’ relief association enumerated in clause (3) ~~unless the municipality has adopted a municipal resolution retaining the local relief association pursuant to subdivision 1; if applicable,~~ commences receiving a service pension at an age no earlier than attaining the age of 55 years, and has met all applicable requirements for entitlement to a service pension specified in the applicable laws and relief association articles of incorporation or bylaws governing the local relief association;

(b) the person is a retired member of a covered local police or salaried firefighters’ relief association enumerated in clause (3) ~~unless the municipality has adopted a municipal resolution retaining the local relief association pursuant to subdivision 1; if applicable,~~ retired on a service pension after June 15, 1980 and after attaining the age of at least 50 years but prior to attaining the age of 55 years, and attains the age of 55 years subsequent to

retirement; or

(c) the person was a retired member on June 15, 1980 of a covered local police or salaried firefighters' relief association or retirement trust fund enumerated in clause (3), ~~unless the municipality has adopted a municipal resolution retaining the local relief association pursuant to subdivision 1, if applicable, on June 15, 1980,~~ is receiving a service pension, and has attained the age of at least 55 years.

(2) Any person who meets the requirements specified in clause (1)(a) or (1)(b) shall be entitled to receive the annual automatic post retirement adjustment on the January 1 next following the date upon which the requirements for entitlement are met but in no event prior to the date upon which the person attains the age of 55 years. Any person who meets the requirements specified in clause (1)(c) shall be entitled to receive the ~~annual automatic post retirement~~ adjustment on the January 1 next following the effective date of the approval of the benefit modification by the municipality as provided for in ~~clause (3) or~~ the date upon which the person attains the age of 55 years; ~~whichever occurs later.~~ The amount of the ~~annual automatic post retirement~~ adjustment shall be determined by the board of trustees of the local relief association on or before December 1 annually and the ~~annual automatic post retirement~~ adjustment shall accrue each year as of January 1 next following the determination date. The ~~annual automatic post retirement~~ adjustment shall be first payable with the service pension payment made for January. Each ~~annual automatic post retirement~~ adjustment in the amount of the service pension shall be ~~equal to the dollar amount determined by applying based on the percentage by which the salary payable by the municipality to a top grade patrol officer or a top grade firefighter, whichever is applicable, has increased~~ increase in the salary upon which retirement coverage is credited during the prior year subject to the limitation provided for in this clause.

The percentage increase in the salary shall be applied to the amount of service pension payable to the person for the month immediately prior to the month in which the determination is made. The maximum percentage increase shall not exceed 3-1/2 percent in any year and any increase in the salary level of the applicable position used to govern the determination of ~~annual automatic post retirement~~ adjustments in excess of 3-1/2 percent in any year shall not carry over to or be used to calculate the rate of salary increase for any succeeding year in which the increase in the salary of the applicable position does not exceed 3-1/2 percent.

(3) The provisions of this subdivision shall apply to the active members and retired members of a local police or salaried firefighters' relief association or to the retired members of a retirement trust fund contained in the following enumeration of covered relief associations if the governing body of the applicable municipality approves the modification in the benefit plan of the relief association specified in this subdivision following consideration of an actuarial valuation which is, or actuarial estimate based on the most recent actuarial valuation which was, prepared in accordance with sections 356.215 and 356.216, based on the benefit plan of the applicable local relief association or retirement trust fund including the modification provided for in this subdivision; does not adopt a municipal resolution retaining the local relief association pursuant to subdivision 1, and files a resolution indicating approval of the modification in the benefit plan with the secretary of state, the commissioner of insurance and the executive secretary of the legislative commission on pensions and retirement on or before the first day of the tenth month following June 15, 1980:

- (a) Buhl police relief association;
- ~~(b) Crookston firefighters relief association;~~
- ~~(c) Crookston police relief association;~~
- ~~(d) (b) Eveleth joint retired police and firefighters retirement trust fund;~~
- ~~(e) (c) Moorhead firefighters relief association;~~
- ~~(f) (d) Moorhead police relief association;~~
- ~~(g) (e) Thief River Falls police retirement trust fund;~~
- ~~(h) (f) Virginia firefighters relief association;~~
- ~~(i) (g) West St. Paul police relief association.~~

Sec. 3. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

Amend the title as follows:

Page 1, line 5, after the semicolon, insert "updating obsolete language; clarifying ambiguous language;"

Page 1, line 6, delete "subdivision 2" and insert "subdivisions 2 and 4"

And when so amended the bill do pass and be placed on the Consent Calendar. Amendments adopted. Report adopted.

Mr. Moe, D. M. from the Committee on Governmental Operations, to which was referred

S.F. No. 437: A bill for an act relating to retirement; local police and salaried firefighters relief associations; requiring annual valuations; deleting requirement of quadrennial experience studies; removing obsolete language; amending Minnesota Statutes 1982, sections 69.77, subdivision 2; and 356.216.

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

Page 2, line 7, after "~~reached~~" reinstate the stricken language

Page 2, reinstate line 8

Page 2, line 9, reinstate the stricken "firefighters"

And when so amended the bill do pass and be placed on the Consent Calendar. Amendments adopted. Report adopted.

Mr. Moe, D. M. from the Committee on Governmental Operations, to which was referred

S.F. No. 660: A bill for an act relating to retirement; public plans generally; providing that moneys of public pension plans are for the exclusive benefit of eligible employees and their beneficiaries; proposing new law coded in Minnesota Statutes, chapter 356.

Reports the same back with the recommendation that the bill be amended

as follows:

Page 1, before line 9, insert:

“Section 1. Minnesota Statutes 1982, section 354A.021, is amended by adding a subdivision to read:

Subd. 6. [TRUSTEES’ FIDUCIARY OBLIGATION.] It is the duty of the trustees or directors of each teachers’ retirement fund association to administer each fund in accordance with the applicable portions of this chapter, of the articles of incorporation, and of the bylaws. They shall act as trustees with a fiduciary obligation to the state of Minnesota which created the fund, the taxpayers which aid in financing it, and the teachers who are its beneficiaries. The purpose of this subdivision is to establish each teachers’ retirement fund association as a trust under the laws of the state of Minnesota for all purposes related to section 401(a) of the Internal Revenue Code of the United States, including all amendments thereof and all substitutes therefor.”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after the second semicolon, insert “providing for the fiduciary obligation of trustees;”

Page 1, line 5, after the semicolon, insert “amending Minnesota Statutes 1982, section 354A.021, by adding a subdivision;”

And when so amended the bill do pass and be placed on the Consent Calendar. Amendments adopted. Report adopted.

Mr. Moe, D. M. from the Committee on Governmental Operations, to which was referred

S.F. No. 147: A bill for an act relating to retirement; employee and employer contributions to the Minnesota state retirement system; amending Minnesota Statutes 1982, sections 352.04, subdivisions 2 and 3; and 352.92, subdivisions 1 and 2.

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

Pages 1 and 2, delete sections 1 and 2

Page 2, lines 7 and 18, delete “January 18, 1983” and insert “the day following final enactment”

Page 2, line 10, delete “4.28” and insert “4.4”

Page 2, line 24, delete “1.34” and insert “1.3”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, delete “sections” and insert “section”

Page 1, line 5, delete everything before “352.92”

And when so amended the bill do pass and be placed on the Consent

Calendar. Amendments adopted. Report adopted.

Mr. Moe, D. M. from the Committee on Governmental Operations, to which was referred

S.F. No. 936: A bill for an act relating to retirement; the Minneapolis police relief association; board membership; sources and uses of funds; member contributions; amending Laws 1949, Chapter 406, Sections 1, Subdivision 1, as amended; 3, as amended; 4, Subdivisions 2 and 3, as amended; 5, Subdivisions 1, 3, and 5, as amended; and 6, Subdivision 3, as amended; Laws 1953, Chapter 127, Sections 1, Subdivisions 1, as amended, and 4, and by adding a subdivision; and Laws 1965, Chapter 493, Section 5; and Minnesota Statutes 1982, section 423A.01, subdivision 2.

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

Page 2, line 5, delete *"have retired or who will"*

Pages 7 to 10, delete section 12

Renumber the remaining section

Amend the title as follows:

Page 1, line 11, delete everything after "5" and insert a period

Page 1, delete line 12

And when so amended the bill do pass and be placed on the Consent Calendar. Amendments adopted. Report adopted.

Mr. Moe, D. M. from the Committee on Governmental Operations, to which was referred

S.F. No. 310: A bill for an act relating to retirement; establishing a uniform defined contribution public employee retirement plan; proposing new law coded as Minnesota Statutes, chapter 356A.

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

Page 3, line 11, after *"chapter 353"* insert *" , excluding the public employees police and fire fund established and governed by sections 353.63 to 353.68"*

Page 3, line 30, after the period, insert *"In addition, any person so employed on or prior to the effective date of this act may elect to become a member of the plan by filing with the chief administrative officer of the appropriate plan or fund after January 1, 1984, but prior to July 1, 1984, a notice of intent to do so. Upon filing of a notice, the chief administrative officer shall establish an individual account for the employee and shall credit to the account all employee and employer contributions previously credited to the employee, excluding additional employer contributions. Any person who becomes employed after the effective date of this act who by virtue of that employment becomes a member of one of the retirement funds listed in section 4 and would otherwise be covered by the plan, may elect not to be covered by filing a notice with the chief administrative officer of the appro-*

priate plan or fund. Upon filing the notice, the employee shall remain a member of the retirement fund and not covered by the plan."

Page 6, line 34, delete "6" and insert "7"

Page 7, line 1, delete "9" and insert "10"

Page 7, line 11, after "service" insert "with 18 months or more of service credit,"

Page 7, line 14, after the period, insert "A member terminating active service with less than 24 months of service shall be entitled only to that portion of the individual member's account representing picked-up employee contributions. The balance of the individual member's account shall be paid into the general fund."

Page 7, line 21, delete "6" and insert "7"

Page 8, line 7, delete "9" and insert "10"

Page 8, line 12, delete everything after "law"

Page 8, line 13, delete everything before the comma

Page 8, delete lines 18 to 35

Page 8, line 36, delete "3" and insert "2"

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

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

S.F. No. 786: A bill for an act relating to transportation; conforming with federal requirements allowing a state authority to exercise jurisdiction over intrastate transportation provided by rail carrier; amending Minnesota Statutes 1982, sections 218.031, subdivision 1; 218.041, subdivision 2; and 218.071, subdivision 1.

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

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

S.F. No. 948: A bill for an act relating to metropolitan government; providing for the term of the chairman of the metropolitan airports commission; amending Minnesota Statutes 1982, section 473.604, subdivision 1.

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

Page 3, line 8, delete ". The chairman may be"

Page 3, line 9, delete "removed at the pleasure of the governor"

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

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

ferred

S.F. No. 855: A bill for an act relating to motor vehicles; exempting certain vehicles from license fees; authorizing the use of certain state department vehicles without uniform coloring or marking; amending Minnesota Statutes 1982, sections 16.75, subdivision 7; and 168.012, subdivision 1.

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

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

S.F. No. 1083: A bill for an act relating to transportation; authorizing placement of vending machines in highway rest areas, tourist information centers, and weigh stations; amending Minnesota Statutes 1982, sections 160.08, subdivision 7; and 160.28.

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

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

S.F. No. 1104: A bill for an act relating to motor vehicles; clarifying requirements for issuance of a Minnesota identification card; amending Minnesota Statutes 1982, section 171.07, subdivision 3.

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

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 21: A bill for an act relating to health; allowing any interested person to seek enforcement of certain patient rights; amending Minnesota Statutes 1982, section 144.651.

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

Page 1, line 15, after the period, insert "*Every patient or resident may seek enforcement of these rights.*" and after "Any" insert "*family member,*" and reinstate the stricken language

Page 1, line 16, reinstate everything before the second stricken "or" and reinstate the comma

Page 1, line 17, before "interested" insert "*nursing home ombudsman, health facility staff person, or*" and after "may" insert "*also*"

Page 1, line 18, after the period, insert "*An interested person is someone who demonstrates a sincere and ongoing interest in the welfare of the individual patient or resident. Nothing in this paragraph shall be construed to diminish the rights of individual patients and residents to self-determination.*"

And when so amended the bill do pass and be re-referred to the Committee

on Judiciary. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 784: A bill for an act relating to public welfare; setting eligibility criteria for community social services; requiring information from users to be included in the planning process; prescribing duties of the commissioner; amending Minnesota Statutes 1982, sections 256E.03, subdivision 2; 256E.05, subdivision 3; and 256E.09, subdivisions 2 and 3.

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

Page 1, line 23, delete "*the 60th percentile*" and insert "*60 percent*"

Page 3, line 36, before "*Develop*" insert "*In cooperation with the counties,*"

Page 4, line 5, before the semicolon, insert "*and report these annually to the legislature*"

Page 4, line 15, delete "*setting a maximum on those expenses*" and insert "*report these expenses to the legislature*"

Page 4, line 29, delete everything after the period

Page 4, delete lines 30 and 31

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

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 955: A bill for an act relating to public welfare; providing for relative resource contribution for medical assistance; amending Minnesota Statutes 1982, section 256B.14, subdivision 2.

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

Page 1, lines 14 to 18, delete the new language and insert "*In determining the resource contribution of a spouse at the time of the first medical assistance application, all medical assistance exclusions shall be allowed, and a resource limit of \$10,000 for nonexcluded resources shall be implemented. Above these limits, a contribution of one-third of the excess resources shall be required. This section shall be effective for new applications for medical assistance taken on or after July 1, 1983.*"

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

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 734: A bill for an act relating to public welfare; modifying the procedure by which a vendor of care in the medical assistance program may

seek review of proposed action on the part of the commissioner to make monetary recoveries or impose sanctions; providing for the establishment of a rate schedule for inpatient and outpatient hospital services reimbursement under the medical assistance program; permitting the commissioner to limit or suspend the eligibility of persons for medical assistance upon conviction of a criminal offense; allowing the commissioner access to medical records of medical assistance recipients without written authorization; amending Minnesota Statutes 1982, sections 256.045, subdivision 3; 256B.04, by adding a subdivision; 256B.061; 256B.064, subdivision 2; and 256B.27, subdivisions 3 and 4.

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

Page 2, delete section 2

Page 3, line 4, delete "*receiving*" and insert "*or receipt of*"

Page 3, delete section 4

Page 3, line 22, reinstate the stricken language

Page 3, line 23, reinstate the stricken language, and before the reinstated comma, insert "*which the local welfare agency shall keep on file*"

Renumber the sections in sequence

Amend the title as follows:

Page 1, lines 15 and 16, delete "256B.04, by adding a subdivision;"

Page 1, line 16, delete "256B.064, subdivision 2;"

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

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

S.F. No. 86: A bill for an act relating to education; modifying the state aid and levy provisions governing community education; amending Minnesota Statutes 1982, sections 124.271, subdivision 2a; and 275.125, subdivision 8.

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

Delete everything after the enacting clause and insert:

“ARTICLE I

FOUNDATION AID

Section 1. Minnesota Statutes 1982, section 124.2122, subdivision 1, is amended to read:

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 \$1,333 for foundation aid for the 1981-1982 school~~

~~year. The formula allowance shall be \$1,346 for 1981 payable 1982 levies and for foundation aid for the 1982-1983 school year. The formula allowance shall be \$1,475 for the 1982 payable 1983 levies and for foundation aid for the 1983-1984 school year. The formula allowance shall be \$1,475 for the 1983 payable 1984 levies and for foundation aid for the 1984-1985 school year.~~

Sec. 2. Minnesota Statutes 1982, section 124.2122, subdivision 2, is amended to read:

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 .024 for 1981 payable 1982 levies and for foundation aid for the 1982-1983 school year. The basic maintenance mill rate shall be .024 for the 1982 payable 1983 levies and for foundation aid for the 1983-1984 school year. A district may levy less than 24 mills. If a district levies at least 95 percent of an amount equal to 23 mills times the adjusted assessed valuation of the district, basic foundation aid shall be computed as though the district had levied 24 mills times the adjusted assessed valuation of the district. The basic maintenance mill rate shall be .024 for 1983 payable 1984 levies and for foundation aid for the 1984-1985 school year. The basic maintenance mill rate shall be for the 1984 payable 1985 levies and for foundation aid for the 1985-1986 school year.~~

Sec. 3. Minnesota Statutes 1982, section 124.2124, subdivision 1, is amended to read:

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) Beginning with the aid and levy revenue for the 1983-1984 school year, in any district where the actual number of pupil units increased from the 1979-1980 school year to the 1980-1981 school year, the district's "recomputed 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 the district had qualified for the greater of either the 1980-1981 declining enrollment pupil units or the 1980-1981 growing enrollment pupil units to be 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.

(c) 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. *Beginning with the 1983-1984 school year, for elementary districts, the component shall equal the amount of additional aid the district would have received for the 1980-1981 school year if pupils attending secondary school in another district had attended a secondary school in the district in which they reside.*

(d) A district's "basic replacement entitlement" shall equal the sum of (1) the greater of (i) its fluctuating enrollment replacement component, or (ii) its recomputed fluctuating enrollment replacement component, and (2) its sparsity replacement component; divided by its total pupil units in 1980-1981.

(e) "Replacement inflator" for any school year means the ratio of the foundation aid formula allowance for that school year to \$1,265. However, for the 1981-1982 school year the replacement inflator shall equal 107 percent, and for the 1982-1983 school year the replacement inflator shall equal 112 percent.

(f) A district's "replacement allowance" for each school year shall equal its basic replacement entitlement times the replacement inflator for that school year.

(g) A district's "replacement levy limitation" means its levy limitation computed pursuant to section 275.125, subdivision 6c.

Sec. 4. Minnesota Statutes 1982, section 124.2126, subdivision 3, is amended to read:

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;

(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;

(5) The amount by which property taxes of the district for use in that school year are reduced by the state paid wetlands credit provisions in section 273.115;

(6) The amount by which property taxes of the district for use in that school year are reduced by the state paid native prairie credit provisions in section 273.116; and

(7) The amount by which property taxes of the district for use in that

school year are reduced by the credit for reduced assessment provisions in section 273.139;

(8) The amount by which property taxes of the district for use in that school year are reduced by the state reimbursed disaster or emergency reassessment provisions in section 273.123; and

(9) The amount by which property taxes of the district for use in that school year are reduced by the metropolitan agricultural preserves provisions in section 473H.10.

Sec. 5. Minnesota Statutes 1982, section 124.2127, subdivision 1, is amended to read:

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 formula allowance times the full-time equivalent actual pupil units for shared time pupils.~~ 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.

Sec. 6. [124A.01] [FOUNDATION AID COMPONENTS.]

Foundation aid shall equal the sum of the following:

- (a) basic aid;*
- (b) cost differential tier aid;*
- (c) second tier aid;*
- (d) third tier aid;*
- (e) fourth tier aid;*
- (f) fifth tier aid;*
- (g) minimum aid; and*
- (h) shared time pupil aid.*

Sec. 7. [124A.02] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] For the purpose of this chapter, the following terms have the meaning given them.

Subd. 2. [ACTUAL LEVY.] "Actual levy" means the amount a district reports, according to section 275.125, subdivision 18, to the department of education it has levied for each tier.

Subd. 3. [PERMITTED LEVY.] "Permitted levy" means the amount a district is permitted to levy for each tier, as determined by the department of education according to section 275.125, subdivisions 7d and 7e.

Subd. 4. [TEACHER INDEX.] "Teacher index" means a measure of a district's teacher education and experience relative to the education and experience of teachers in the state. The measure shall be determined according to the method published in the Minnesota Code of Administrative Rules. The published method shall include the data used and a reasonably detailed description of the steps in the method. The method shall not be subject to the provisions of chapter 14.

Sec. 8. [124A.04] [TEACHER INDEX.]

The index shall be constructed in the following manner:

(a) The department shall construct a matrix which classifies teachers by the extent of training received in accredited institutions of higher education, and by the years of experience which the district takes into account in determining each teacher's salary.

(b) For all teachers in the state, the average salary per full-time-equivalent shall be computed for each cell of the matrix.

(c) For each cell of the matrix, the ratio of the average salary in that cell to the average salary in the cell for teachers with no prior years of experience and only a bachelor's degree shall be computed. The department shall use statistical methods to ensure continuously increasing ratios as cells are higher in training or experience.

(d) The index for each district is then equal to the weighted average of the ratios assigned to the full-time-equivalent teachers in each district.

Sec. 9. [124A.06] [COST DIFFERENTIAL TIER AID.]

Subdivision 1. [COST DIFFERENTIAL TIER ALLOWANCE.] "Cost differential tier allowance" means the amount of revenue per actual pupil unit used to compute the cost differential tier aid for a school year and levy for use in the same school year. A district's cost differential tier allowance shall be the result of the following computation:

(a) Divide the amount of aid the district would have received for the 1980-1981 school year if Minnesota Statutes, 1979 Supplement, section 124.224, as amended by section 3 of this article, had been effective for the 1980-1981 school year by the actual pupil units in the district in the 1980-1981 school year.

(b) Divide the formula allowance for the school year by \$1265.

(c) Multiply the result in clause (a) by the result in clause (b).

(d) Subtract one from the teacher index, and multiply by \$150.

(e) Add the results of clauses (c) and (d).

Subd. 2. [COST DIFFERENTIAL TIER REVENUE.] A district's cost differential tier revenue for each school year shall equal the cost differential tier allowance times the actual pupil units for that school year.

Subd. 3. [COST DIFFERENTIAL TIER AID.] A district's cost differential tier aid shall be the result of the following computation:

(1) Subtract the amount of the cost differential tier levy from the amount of the cost differential tier revenue.

(2) Divide the actual cost differential tier levy by the permitted cost differential tier levy.

(3) Multiply the result in clause (1) by the result in clause (2).

Sec. 10. [124A.08] [SECOND TIER AID WITH 100 PERCENT EQUALIZING FACTOR.]

Subdivision 1. [SECOND TIER ALLOWANCE.] "Second tier allowance" means the amount of revenue per actual pupil unit used to compute the second tier aid for a particular school year and the corresponding levy for that school year. The second level allowance is \$150.

Subd. 2. [SECOND TIER REVENUE.] A district's second tier revenue for each school year shall equal the second tier allowance times its actual pupil units for that school year.

Subd. 3. [SECOND TIER AID.] A district's second tier aid shall be the result of the following computation:

(1) Subtract the amount of the second tier levy from the amount of the second tier revenue.

(2) Divide the actual second tier levy by the permitted second tier levy.

(3) Multiply the result in clause (1) by the result in clause (2).

Sec. 11. [124A.10] [THIRD TIER AID WITH 75 PERCENT EQUALIZING FACTOR.]

Subdivision 1. [THIRD TIER ALLOWANCE.] "Third tier allowance" means the amount of revenue per actual pupil unit used to compute the third tier aid for a particular school year and the corresponding levy for that school year. The third tier allowance is \$100.

Subd. 2. [THIRD TIER REVENUE.] A district's third tier revenue for each school year shall equal the third tier allowance times its actual pupil units for that school year.

Subd. 3. [THIRD TIER AID.] A district's third tier aid shall be the result of the following computation:

(1) Subtract the amount of the third tier levy from the amount of the third tier revenue.

(2) Divide the actual third tier levy by the permitted third tier levy.

(3) Multiply the result in clause (1) by the result in clause (2).

Sec. 12. [124A.12] [FOURTH TIER AID WITH 50 PERCENT EQUALIZING FACTOR.]

Subdivision 1. [FOURTH TIER ALLOWANCE.] "Fourth tier allowance" means the amount of revenue per actual pupil unit used to compute the fourth tier aid for a particular school year and the corresponding levy for that school year. The fourth tier allowance is \$100.

Subd. 2. [FOURTH TIER REVENUE.] A district's fourth tier revenue for each school year shall equal the fourth tier allowance times its actual pupil units for that school year.

Subd. 3. [FOURTH TIER AID.] A district's fourth tier aid shall be the result of the following computation:

(1) Subtract the amount of the fourth tier levy from the amount of the fourth tier revenue.

(2) Divide the actual fourth tier levy by the permitted fourth tier levy.

(3) Multiply the result in clause (1) by the result in clause (2).

Sec. 13. [124A.14] [FIFTH TIER AID WITH 50 PERCENT EQUALIZING FACTOR.]

Subdivision 1. [FIFTH TIER ALLOWANCE.] "Fifth tier allowance" means the amount of revenue per actual pupil unit used to compute the fifth tier aid for a particular school year and the corresponding levy for that school year. The fifth tier allowance shall equal the result of the following computation:

(a) Determine the revenue the district would have received for the 1984-1985 school year from grandfather revenue, replacement revenue, minimum aid, and low fund balance revenue, if the provisions of Minnesota Statutes 1982, sections 124.2123, 124.2124, 124.2126, and 124.2128 had been effective for the year.

(b) Determine the discretionary revenue the district would have received

for the 1984-1985 school year if the provisions of Minnesota Statutes 1982, section 124.2125 had been effective for the year. Assume the district had been entitled to and had levied the maximum allowable under section 275.125, subdivisions 7a and 7c.

(c) Determine the amount of revenue equal to \$25 times the total pupil units in the 1984-1985 school year.

(d) Add the results in clauses (a), (b), and (c).

(e) Determine the estimated revenue the district would receive for the 1984-1985 school year from the first to fourth tier revenue for the 1984-1985 school year.

(f) Subtract the result of clause (e) from the result of clause (d).

Subd. 2. [FIFTH TIER REVENUE.] A district's fifth tier revenue for each school year shall equal the fifth tier allowance times its actual pupil units for that school year.

Subd. 3. [FIFTH TIER AID.] A district's fifth tier aid shall be the result of the following computation:

(1) Subtract the amount of the fifth tier levy from the amount of the fifth tier revenue.

(2) Divide the actual fifth tier levy by the permitted fifth tier levy.

(3) Multiply the result in clause (1) by the result in clause (2).

Sec. 14. [124A.16] [COMMENCEMENT OF TIER REVENUE.]

(a) Except as provided in clause (b), the sum of the revenues from the first tier to the fifth tier shall not exceed the total revenue specified in section 9, subdivision 1, clauses (a) and (b) by more than 25 percent for the 1984-1985 school year, 50 percent for the 1985-1986 school year, or 75 percent for the 1986-1987 school year. The revenue permitted by this section shall be applied each year, to the lowest possible tiers.

(b) This section shall not apply to any district in the event the total revenue of the district specified in section 13, subdivision 1, clauses (a) and (b), exceeds the allowance specified in sections 9, 10, 11 and 12.

Sec. 15. Minnesota Statutes 1982, section 124.2132, subdivision 1, is amended to read:

Subdivision 1. [UNDERLEVIES.] A district's basic foundation, ~~grandfather, replacement, discretionary or low fund balance 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.

Sec. 16. Minnesota Statutes 1982, section 275.125, is amended by adding a subdivision to read:

Subd. 7d. [TIER LEVIES.] (1) [COST DIFFERENTIAL TIER LEVY.] In

1983 and each year thereafter, a district may levy for its cost differential tier revenue an amount not to exceed the lesser of its cost differential tier revenue or the result of the following computation:

(i) Divide the adjusted assessed valuation for the year preceding the year the levy is certified, by the total pupil units for the year to which the levy is attributable.

(ii) Divide the result in clause (i) by the equalizing factor for the school year to which the levy is attributable.

(iii) Multiply the result in clause (ii) by the district's cost differential tier revenue for the school year to which the levy is attributable.

(2) [SECOND TIER LEVY.] *In 1983 and each year thereafter, a district may levy for its second tier revenue an amount not to exceed the lesser of its second tier revenue or the result of the following computation:*

(i) Divide the adjusted assessed valuation for the year preceding the year the levy is certified, by the total pupil units for the year to which the levy is attributable.

(ii) Divide the result in clause (i) by the equalizing factor for the school year to which the levy is attributable.

(iii) Multiply the result in clause (ii) by the district's second tier revenue for the school year to which the levy is attributable.

(3) [THIRD TIER LEVY.] *In 1983 and each year thereafter, a district may levy for its third tier revenue an amount not to exceed the lesser of its third tier revenue or the result of the following computation:*

(i) Divide the adjusted assessed valuation for the year preceding the year the levy is certified, by the total pupil units for the year to which the levy is attributable.

(ii) Divide the result in clause (i) by 75 percent of the equalizing factor for the school year to which the levy is attributable.

(iii) Multiply the result in clause (ii) by the district's third tier revenue for the school year to which the levy is attributable.

(4) [FOURTH TIER LEVY.] *In 1983 and each year thereafter, a district may levy for its fourth tier revenue an amount not to exceed the lesser of its fourth tier revenue or the result of the following computation:*

(i) Divide the adjusted assessed valuation for the year preceding the year the levy is certified, by the total pupil units for the year to which the levy is attributable.

(ii) Divide the result in clause (i) by 50 percent of the equalizing factor for the school year to which the levy is attributable.

(iii) Multiply the result in clause (ii) by the fourth tier revenue for the school year to which the levy is attributable.

(5) [FIFTH TIER LEVY.] *In 1983 and each year thereafter, a district may levy for its fifth tier revenue an amount not to exceed the lesser of its fifth tier revenue or the result of the following computation:*

(i) Divide the adjusted assessed valuation for the year preceding the year

the levy is certified, by the total pupil units for the year to which the levy is attributable.

(ii) Divide the result in clause (i) by 50 percent of the equalizing factor for the school year to which the levy is attributable.

(iii) Multiply the result in clause (ii) by the fifth tier revenue for the school year to which the levy is attributable.

Sec. 17. Minnesota Statutes 1982, section 275.125, is amended by adding a subdivision to read:

Subd. 7e. [SECOND TIER LEVY FUND BALANCE.] Beginning with the 1983 payable 1984 levy, for a district where the net unappropriated operating fund balance as of the June 30 before the levy is certified exceeds \$500 per total pupil unit in the year when the levy is certified, the second tier levy 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 total pupil unit in the school year when the levy is certified, to the equalizing factor. Beginning with the 1984-1985 school year, the second tier 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. 18. Minnesota Statutes 1982, section 275.125, subdivision 9, is amended to read:

Subd. 9. [LEVY REDUCTIONS; TACONITE.] (1) Reductions in levies pursuant to 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, to an amount less than the amount raised by a levy of ~~ten~~ 12.25 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 2d shall not be reduced pursuant to this sub-

division. 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 124.2132, subdivision 5, clause (2), and not applied to reduce levies pursuant to this subdivision shall be paid by the district to the commissioner of finance in the following amount on the designated date: on or before March 15 of each year, 100 percent of the amount required to be subtracted from the previous fiscal year's foundation aid pursuant to section 124.2128 124.2132, subdivision 5, 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. 19. [INSTRUCTION TO THE REVISOR.]

In the next method of updating Minnesota Statutes, the revisor of statutes, in consultation with the education staff of house research and senate research and counsel, shall codify the appropriate provisions of this act, appropriate parts of section 275.125, and the sections of chapter 124 relating to foundation aids in a chapter of Minnesota Statutes.

Sec. 20. [REPEALER.]

Subdivision 1. Minnesota Statutes 1982, section 275.125, subdivisions 6b, 6c, 6d, 7a, and 7c are repealed.

Subd. 2. Minnesota Statutes 1982, sections 124.2123; 124.2124; 124.2125; and 124.2128 are repealed.

Subd. 3. [EFFECT.] The repeal of these sections shall not affect the right of a school district to receive nor the obligation of the commissioner of education to pay aids attributable to the 1983-1984 school year and payable in fiscal year 1985 under or by virtue of the sections repealed.

Sec. 21. [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:

\$591,925,000.....1984,

\$598,486,000.....1985.

The appropriation for 1984 includes \$84,895,000 for aid for fiscal year 1983 payable in fiscal year 1984, and \$507,030,000 for aid for fiscal year 1984 payable in fiscal year 1984.

The appropriation for 1985 includes \$89,413,000 for aid for fiscal year 1984 payable in fiscal year 1985, and \$509,073,000 for aid for fiscal year 1985 payable in fiscal year 1985.

Subd. 3. [CANCELLATION.] Any unexpended balance remaining from the appropriations in this section for 1984 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. 22. [EFFECTIVE DATE.]

Sections 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 18, and 20, subdivision 2, are effective July 1, 1984.

ARTICLE 2

TRANSPORTATION AID

Section 1. Minnesota Statutes 1982, section 123.37, subdivision 1b, is amended to read:

Subd. 1b. [TRANSPORTATION; FUEL.] Notwithstanding the provisions of subdivision 1 or section 471.345, a contract for the transportation of school children, or a contract for the purchase, ~~by June 30, 1983,~~ of petroleum heating fuel or fuel for ~~district owned~~ vehicles may be made by direct negotiation, by obtaining two or more written quotations for the service when possible, or upon sealed bids. At least 30 days before awarding a directly negotiated contract, the school district shall, by published notice, request quotations for the service to be provided. All quotations obtained shall be kept on file for a period of at least one year after receipt thereof. ~~If a contract is made by direct negotiation, negotiations shall be open to the public.~~ If a contract is made upon sealed bids, the procedure for advertising and awarding bids shall conform to the provisions of subdivision 1 except as otherwise provided in this subdivision.

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

Sec. 2. Minnesota Statutes 1982, section 124.225, is amended to read:

124.225 [TRANSPORTATION AID ENTITLEMENT.]

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) "Authorized cost for regular transportation" means the sum of:

(1) all expenditures for transportation in the regular category, as defined in clause (e)(1), for which aid is authorized in section 124.223, plus

(2) 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

(3) 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, plus

(4) beginning in fiscal year 1984, an amount equal to one year's depreciation on the district's type three school buses, as defined in section 169.44, subdivision 15, which were purchased after July 1, 1982 for authorized transportation of pupils, with the prior approval of the commissioner, computed on a straight line basis at the rate of 20 percent per year of the cost of the type three school buses.

(c) "Adjusted authorized predicted cost per FTE" means the authorized cost predicted by a multiple regression formula determined by the department of education, and adjusted pursuant to subdivision 7a.

(d) "Aid entitlement per FTE" means the adjusted authorized predicted cost per FTE, inflated pursuant to subdivision 7b.

(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:

(1) Regular transportation is transportation services provided under section 124.223, clauses (1) and (2), excluding transportation between schools under section 124.223, clause (1);

(2) During-day transportation is transportation services between schools provided under section 124.223, clause (1), and transportation services provided under section 124.223, clauses (3) and (9), and transportation services provided under section 124.223, clause (6), excluding transportation provided for pupils attending shared time special education classes;

(3) Handicapped transportation is transportation services for pupils attending shared time special education classes provided under section 124.223, clause (6), and transportation services provided under section 124.223, clause (4), excluding board and lodging and excluding transportation to and from board and lodging facilities;

(4) Board and lodging is services provided, in lieu of transportation, under section 124.223, clauses (4) and (5);

(5) 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);

(6) Nonpublic health, guidance and counseling transportation is transportation services provided under section 124.223, clause (10);

(7) *Nonregular transportation is transportation services provided between*

schools under section 124.223, clause (1); and transportation services provided under section 124.223, clauses (3), (4), (5), (6), (7), (9), and (10).

(f) "Pupil weighting factor" means the ratio of the actual district average cost per FTE in a particular transportation category in the base year to the actual district average cost per FTE in the regular transportation category in the base year.

(g) "Weighted FTE's" means the number of FTE's in each transportation category multiplied by the pupil weighting factor for that category.

(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 nonpublic school premises is a neutral site as defined in section 123.932, subdivision 9.

(i) "Percent excess handicapped FTE's transported" means the result of the following computation for the current year:

one, minus the product of

(1) the ratio of the number of FTE pupils transported in the handicapped category in the state to the number of FTE pupils transported in the handicapped category in the district; times

(2) the ratio of the number of FTE pupils transported in the regular category in the district to the number of FTE pupils transported in the regular category in the state.

(j) "Current year" means the school year for which aid will be paid.

(k) "Base year" means the second school year preceding the school year for which aid will be paid.

(l) "Base cost" means the authorized regular transportation cost per FTE in the base year in the regular transportation category, excluding summer school transportation.

(m) "Predicted base cost" means the base cost as predicted by subdivision 3.

Subd. 1a. [WEIGHTING FACTORS.] For each school year, in computing transportation aid, the department of education shall establish as needed the pupil weighting factors for each transportation category for each district 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 district had no experience during the second prior school year.

Subd. 3. [FORMULA.] For 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. The department of education shall conduct multiple regression analysis using the terms specified in subdivision 4a, to predict the base cost for each district. A formula shall be derived based upon the regression analysis, but excluding the factors described in subdivision 4a, clauses ~~(8)~~ (7), ~~(9)~~ (8), and ~~(10)~~ (9), except that in the 1982-1983 school

year, these clauses shall not be excluded. This formula shall be used to determine a predicted base cost for each district. The amount determined for each district shall be adjusted according to the provisions of subdivisions 7a and 7b.

Subd. 4a. [FORMULA TERMS.] To predict the base cost for each district pursuant to subdivision 3, the multiple regression formula shall use the following terms for each district:

- (1) The district's average daily membership;
- (2) The reciprocal of the district's average daily membership;
- (3) The logarithm of the number of authorized FTE's per square mile transported by the district in the regular transportation category;
- ~~(4) The percentage of the district's square mile area which is classified by the commissioner of energy, planning and development as water covered, marsh-land, or extractive;~~
- ~~(5)~~ (4) The district's administrative overhead for transportation per authorized FTE transported in the regular transportation category;
- ~~(6)~~ (5) The number of schools to which pupils are transported in the regular transportation category, either within or outside the district, divided by the number of authorized FTE's transported in the regular transportation category;
- ~~(7)~~ (6) Whether the district is non-rural, based upon criteria established by the department of education;
- ~~(8)~~ (7) Whether the district contracts for bus service, or transports pupils only on district-owned buses;
- ~~(9)~~ (8) The percentage of all regular transportation category bus routes using buses that are not owned by the district, if that percentage is not 100 percent;
- ~~(10)~~ (9) Whether the district operates a special bus to transport pupils to home from school who are involved in after-school activities.

Subd. 7a. [BASE YEAR SOFTENING FORMULA.] (1) Each district's predicted base cost determined for each school year according to subdivision 3 shall be averaged with the base cost for that district for that year to determine the district's adjusted authorized predicted cost per FTE for that year.

(2) Notwithstanding clause (1), for fiscal year 1983, the predicted base cost shall be adjusted as provided in this clause to determine adjusted authorized predicted cost per FTE for the base school year.

(a) If the predicted base cost exceeds the base cost, the predicted base cost shall be decreased by 50 percent of the first \$40 of difference between the base cost and the predicted base cost; 70 percent of the next \$40 of difference; and 90 percent of any difference which exceeds \$80, to determine the adjusted authorized predicted cost per FTE.

(b) If the predicted base cost is less than the base cost, the predicted base cost shall be increased by 50 percent of the first \$40 of difference between

the base cost and the predicted base cost; 70 percent of the next \$40 of difference; and 90 percent of any difference which exceeds \$80, to determine the adjusted authorized predicted cost per FTE.

Subd. 7b. [INFLATION FACTORS.] The adjusted authorized predicted cost per FTE determined for a district under subdivision 7a for the base year shall be increased by 22 percent to determine the district's aid entitlement per FTE for the 1982-1983 school year, *by 13.1 percent to determine the district's aid entitlement per FTE for the 1983-1984 school year, and by 11.6 percent to determine the district's aid entitlement per FTE for the 1984-1985 school year.*

Subd. 8a. [AID.] *For the 1982-1983 and 1983-1984 school years, a district's transportation aid shall be equal to the sum of its basic transportation aid pursuant to subdivision 8b, its excess handicapped transportation aid pursuant to subdivision 8c, its handicapped board and lodging aid pursuant to subdivision 8d, its to and from board and lodging aid pursuant to subdivision 8e, its nonpublic support services transportation aid pursuant to subdivision 8f, its during-day transportation aid pursuant to subdivision 8g, and its closed-school transportation aid pursuant to subdivision 8h, minus the amount raised by two mills times the adjusted assessed valuation which is used to compute the transportation levy limitation for the levy attributable to that school year. A district may levy less than the amount raised by two mills. Transportation aid shall be computed as if the district had levied the amount raised by two mills. If the total appropriation for transportation aid in any fiscal year after 1982 is insufficient to pay all districts the full amount of aid earned, the department of education shall reduce each district's aid in proportion to the number of resident pupils in average daily membership in the district to the state total average daily membership, and shall reduce the aid entitlement of off-formula districts in the same proportion.* Aid for the 1982-1983 and 1983-1984 school years shall be reduced by the following amount: the product of

(a) the number of nonhandicapped secondary pupils transported in the base year who live between one and two miles from the public school which they could attend or the nonpublic school actually attended, times

(b) 1.5, divided by the average distance to school for all FTE's transported in the district in the regular transportation category in the base year, times

(c) the district's aid entitlement per FTE determined according to subdivision 7b, times the ratio of average daily membership used in subdivision 8b.

For the 1984-1985 school year and thereafter, a district's transportation aid shall be equal to the sum of its basic transportation aid pursuant to subdivision 8b, its nonregular transportation aid pursuant to subdivision 8i, its nonregular transportation levy equalization aid pursuant to subdivision 8j, and its excess transportation levy equalization aid pursuant to subdivision 8k, minus the amount raised by 1.75 mills times the adjusted assessed valuation which is used to compute the transportation levy limitation for the levy attributable to that school year. A district may levy less than the amount raised by 1.75 mills. Transportation aid shall be computed as if the district had levied the amount raised by 1.75 mills.

If the total appropriation for transportation aid for any fiscal year is insuf-

efficient to pay all districts the full amount of aid earned, the department of education shall reduce each district's aid in proportion to the number of resident pupils in average daily membership in the district to the state total average daily membership, and shall reduce the aid entitlement of off-formula districts in the same proportion.

Subd. 8b. [BASIC AID COMPUTATION.] For the 1982-1983 and 1983-1984 school years, a district's basic transportation aid pursuant to this section for the school year shall equal the district's aid entitlement per FTE determined according to subdivision 7b times the total number of authorized weighted FTE's transported in the regular and handicapped transportation categories in the district in the base year times the ratio of average daily membership in the district in the current year to the average daily membership in the district in the base year.

For the 1984-1985 school year and thereafter, a district's basic transportation aid pursuant to this section for each school year shall equal the district's aid entitlement per FTE determined according to subdivision 7b times the total number of authorized FTE's transported in the regular ~~and handicapped categories~~ category in the district in the current school year.

Subd. 8c. [EXCESS HANDICAPPED AID.] (a) For ~~each~~ the 1982-1983 and 1983-1984 school year years, the state shall pay aid for the excess costs of providing transportation for handicapped students as provided in this subdivision to a district where, in the current school year, the ratio of FTE's transported in the handicapped category to the total number of FTE's transported in the regular transportation category exceeds the same ratio for the state as a whole.

(b) This aid shall equal:

the product of the percent excess handicapped FTE's transported, times the difference between

(1) the district's actual cost for transportation of all pupils in the handicapped category in the current year, and

(2) the product of

(i) the district's aid entitlement per FTE determined according to subdivision 7b, times

(ii) ~~the number of FTE's transported in the handicapped category in the district in the current year.~~

~~Provided that for the 1982-1983 and 1983-1984 school years, the number in (2)(ii) above shall be replaced by the following computation: the product of the number of FTE's transported in the handicapped category in the district in the base year, times its pupil weighting factor for the handicapped category, times the ratio of average daily membership in the district in the current year to average daily membership in the district in the base year.~~

Excess handicapped transportation aid authorized in this subdivision shall not be paid after the 1983-1984 school year.

Subd. 8d. [HANDICAPPED BOARD AND LODGING AID.] For board and lodging of handicapped pupils, each district shall receive aid equal to

the product of the number of FTE pupils boarded and lodged in the current year in the district in this transportation category, times the average of

(a) the state average board and lodging cost per FTE pupil boarded and lodged in the base year, times the inflation factor for that year prescribed in subdivision 7b; and

(b) the district's actual cost per FTE pupil boarded and lodged in the current year.

Aid for board and lodging of handicapped pupils authorized in this subdivision shall not be paid after the 1983-1984 school year.

Subd. 8e. [TO AND FROM BOARD AND LODGING.] For transportation of handicapped pupils to and from board and lodging facilities, the state shall pay aid to each district for each year equal to the lesser of

(a) the sum of the distance in miles from the home of each pupil transported in this category to the board and lodging facility, times 36, times 24 cents; or

(b) the average of the amount in (a) and the district's actual cost for all transportation in this category in the current year.

Aid for transportation of handicapped pupils to and from board and lodging facilities authorized in this subdivision shall not be paid after the 1983-1984 school year.

Subd. 8f. [NONPUBLIC SUPPORT SERVICES AID.] For the 1982-1983 and 1983-1984 school years, a district's nonpublic support services transportation aid shall equal the district's aid entitlement per FTE determined according to subdivision 7b, times its pupil weighting factor for the nonpublic support services transportation category, times the number of FTE pupils transported in the nonpublic support services category in the district in the base year, times the ratio of average daily membership in the district in the current year to average daily membership in the district in the base year. ~~For the 1984-1985 school year and thereafter, a district's nonpublic support services transportation aid shall equal the district's aid entitlement per FTE determined according to subdivision 7b, times its pupil weighting factor for the nonpublic support services transportation category, times the number of FTE's transported in that category in the current year.~~

Nonpublic support services aid authorized in this subdivision shall not be paid after the 1983-1984 school year.

Subd. 8g. [DURING-DAY TRANSPORTATION AID.] For the 1982-1983 and 1983-1984 school years, a district's during-day transportation aid shall equal the district's aid entitlement per FTE determined according to subdivision 7b, times its pupil weighting factor for the during-day transportation category, times the number of FTE's transported in the during-day transportation category in the base year, times the ratio of average daily membership in the district in the current year to average daily membership in the district in the base year. ~~For the 1984-1985 school year and thereafter, a district's during-day transportation aid shall equal the district's aid entitlement per FTE determined according to subdivision 7b, times its pupil weighting factor for the during-day transportation category, times the number of FTE's transported in the during-day transportation category in the current year.~~

During-day transportation aid authorized in this subdivision shall not be paid after the 1983-1984 school year.

Subd. 8h. [CLOSED-SCHOOL TRANSPORTATION AID.] For the 1982-1983 and 1983-1984 school years, a district's closed-school transportation aid shall equal the district's aid entitlement per FTE determined according to subdivision 7b, times the number of authorized FTE's transported in the regular category in the current school year who were not transported in the base year and would not have been transported in the current year but for school closings or altered school attendance boundaries. The total amount of transportation aid computed pursuant to this subdivision in each year shall not exceed \$2,000,000. If this amount is insufficient to pay each qualifying district its full amount of aid pursuant to this subdivision, this amount shall be prorated among all qualifying districts in proportion to each district's number of FTE's for whom aid is claimed under this subdivision.

Closed-school transportation aid authorized in this subdivision shall not be paid after the 1983-1984 school year.

Subd. 8i. [NONREGULAR TRANSPORTATION AID.] For the 1984-1985 school year and thereafter, a district's nonregular transportation aid shall be determined pursuant to this subdivision. Nonregular transportation aid shall equal (a) 20 percent of the first \$10 of actual cost in the current year for nonregular transportation services per total pupil unit, plus 40 percent of the next \$10 of actual cost in the current year for nonregular transportation services per total pupil unit, plus 60 percent of the actual cost in the current year for nonregular transportation services per total pupil unit which exceeds \$20, times (b) the number of total pupil units in the district in the current year.

Subd. 8j. [NONREGULAR TRANSPORTATION LEVY EQUALIZATION AID.] For the 1984-1985 school year and thereafter, a district's nonregular transportation levy equalization aid shall be determined pursuant to this subdivision.

(a) *Unreimbursed nonregular transportation revenue shall equal the actual cost in the current year for nonregular transportation services, minus the district's nonregular transportation aid computed pursuant to subdivision 8i.*

(b) *The nonregular transportation levy is the levy authorized by section 275.125, subdivision 5c.*

(c) *Nonregular transportation levy equalization aid for a district shall equal its unreimbursed nonregular transportation revenue, minus the nonregular transportation levy limitation for that year, times the ratio of the district's actual nonregular transportation levy to its nonregular transportation levy limitation.*

Subd. 8k. [EXCESS TRANSPORTATION LEVY EQUALIZATION AID.] For the 1984-1985 school year and thereafter, excess transportation levy equalization aid shall be paid pursuant to this subdivision.

(a) *The excess transportation levy is the levy authorized by section 275.125, subdivision 5d.*

(b) Excess transportation levy revenue for a district shall equal the sum of:

(i) the district's actual cost in the school year after the year in which the excess transportation levy is certified for transportation to and from school of secondary pupils who live more than one mile but less than two miles from the public school which they could attend or from a nonpublic school actually attended, plus

(ii) the district's actual cost in the school year after the year in which the excess transportation levy is certified for transportation costs or other related services which are necessary because of extraordinary traffic hazards, plus

(iii) an amount equal to \$20 times the number of FTE pupils transported on contracted school buses in the regular transportation category in the school year preceding the year the levy is certified, plus

(iv) the amount necessary to eliminate any projected deficit in the appropriated fund balance account for bus purchases in its transportation fund as of June 30 in the school year beginning in the calendar year following the calendar year the levy is certified.

(c) A district's excess transportation levy equalization aid shall equal its excess transportation levy revenue for that school year, minus the district's excess transportation levy limitation for that year, times the ratio of the district's actual excess transportation levy to its excess transportation levy limitation. If the amount appropriated for excess transportation levy equalization aid is insufficient to pay all districts the full amount of aid earned, the department of education shall reduce each district's excess levy equalization aid in proportion to the amount of the district's excess transportation levy revenue.

Subd. 9. [DISTRICT REPORTS.] Each district shall report data to the department as required by the department to implement the transportation aid formula. If a district's final transportation aid payment is adjusted after the final aid payment has been made to all districts, the adjustment shall be made by increasing or decreasing the district's aid for the next fiscal year.

Subd. 10. [DEPRECIATION.] Any school district which owns school buses or mobile units shall transfer annually from the unappropriated fund balance account in its transportation fund to the appropriated fund balance account for bus purchases in its transportation fund at least an amount equal to 12-1/2 percent of the original cost of each type one or type two bus or mobile unit until the original cost of each type one or type two bus or mobile unit is fully amortized, plus 20 percent of the original cost of each type three bus included in the district's authorized cost under the provisions of subdivision 1, clause (b)(4), until the original cost of each type three bus is fully amortized, plus 33-1/3 percent of the cost to the district as of July 1 of each year for school bus reconditioning done by the department of corrections until the cost of the reconditioning is fully amortized; provided, if the district's transportation aid is reduced pursuant to subdivision 8a because the appropriation for that year is insufficient, this amount shall be reduced in proportion to the reduction pursuant to subdivision 8a as a percentage of the sum of

(1) the district's total transportation aid without the reduction pursuant to

subdivision 8a, plus

(2) *for fiscal years 1983 and 1984, an amount equal to two mills times the adjusted assessed valuation of the district which is used to compute the levy limitation for the levy attributable to that year, or for fiscal year 1985 and thereafter 1.75 mills times the adjusted assessed valuation of the district for the preceding year.* Any school district may transfer any amount from the unappropriated fund balance account in its transportation fund to any other operating fund or to the appropriated fund balance account for bus purchases in its transportation fund.

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 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.~~

Subd. 12. [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 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. 3. Minnesota Statutes 1982, section 275.125, subdivision 5, is amended to read:

Subd. 5. [BASIC TRANSPORTATION LEVY.] For school transportation services, a school district may levy an amount not to exceed the amount raised by a levy of ~~two~~ 1.75 mills times the adjusted assessed valuation of the taxable property of the district for the preceding year. ~~A district may also levy under this subdivision for the amount necessary to eliminate any projected deficit in the appropriated fund balance account for bus purchases in its transportation fund as of June 30 in the school year when the levy is recognized as revenue. A district which contracts for pupil transportation services may also levy an amount equal to \$18 times the number of FTE pupils transported on contracted school buses in the preceding school year in the regular transportation category, which shall be placed in the transportation fund and used for any lawful purpose. A district may levy an amount equal to the estimated cost, in the school year beginning in the year in which the levy is certified, of transporting secondary pupils to and from school who live more than one mile but less than two miles from the public school which they could attend or from a nonpublic school actually attended. A district may also levy for transportation costs or other related services which are necessary because of extraordinary traffic hazards for the next school year. Levies authorized by this subdivision shall be computed according to procedures established by the commissioner.~~

Sec. 4. Minnesota Statutes 1982, section 275.125, subdivision 5b, is amended to read:

Subd. 5b. [TRANSPORTATION LEVY OFF-FORMULA ADJUSTMENT.] ~~In any fiscal year in which years 1983 and 1984 if the transportation~~

levy in a district attributable to ~~that~~ each fiscal year of two mills times the adjusted assessed valuation of the district exceeds the transportation aid computation under section 124.225, subdivisions 8b, 8c, 8d, 8e, 8f, 8g, and 8h, the district's transportation levy limitation shall be adjusted as provided in this subdivision. In the year following ~~that each of those fiscal year~~ years, the district's transportation levy shall be reduced by an amount equal to the difference between (1) two mills times the adjusted assessed valuation of the district, and (2) the sum of the district's transportation aid computation pursuant to section 124.225, subdivisions 8b, 8c, 8d, 8e, 8f, 8g, and 8h, less the amount of any aid reduction due to an insufficient appropriation as provided in section 124.225, subdivision 8a.

In fiscal year 1985 and each fiscal year thereafter, if the basic transportation levy in a district attributable to a particular fiscal year of 1.75 mills times the adjusted assessed valuation of the district exceeds the transportation aid computation under section 124.225, subdivisions 8b, 8d, 8e, and 8i, the district's levy limitation shall be adjusted as provided in this subdivision. In the year following each fiscal year, the district's transportation levy shall be reduced by an amount equal to the difference between (1) 1.75 mills times the adjusted assessed valuation of the district, and (2) the sum of the district's transportation aid computation pursuant to section 124.225, subdivisions 8b, 8d, 8e, and 8i, less the amount of any aid reduction due to an insufficient appropriation as provided in section 124.225, subdivision 8a.

For the levies certified in 1983 and 1984, the following additional amount shall be subtracted:

the product of

(a) the number of nonhandicapped secondary pupils transported in the base year who live between one and two miles from the public school which they could attend or the nonpublic school actually attended, times

(b) 1.5, divided by the average distance to school for all FTE's transported in the district in the regular transportation category in the base year, times

(c) the district's aid entitlement per FTE determined according to section 124.225, subdivision 7b, times the ratio of average daily membership in the district in the current year to average daily membership in the district in the base year.

Sec. 5. Minnesota Statutes 1982, section 275.125, is amended by adding a subdivision to read:

Subd. 5c. [NONREGULAR TRANSPORTATION LEVY.] A school district may also make a levy for unreimbursed nonregular transportation costs pursuant to this subdivision. The amount of the levy shall not exceed the product of:

(a) the district's unreimbursed nonregular transportation revenue determined pursuant to section 124.225, subdivision 8j, clause (a), times

(b) the lesser of

(i) one, or

(ii) the ratio of the district's adjusted assessed valuation for the preceding year per total 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. 6. Minnesota Statutes 1982, section 275.125, is amended by adding a subdivision to read:

Subd. 5d. [EXCESS TRANSPORTATION LEVY.] A school district may also make an excess transportation levy pursuant to this clause, which shall not exceed the product of:

(a) the district's excess transportation levy revenue as defined in section 124.225, subdivision 8k, clause (b), times

(b) the lesser of

(i) one, or

(ii) the ratio of the district's adjusted assessed valuation for the preceding year per total pupil unit in the school year beginning in the calendar year next following the calendar year in which the levy is certified, to 75 percent of the equalizing factor for that school year.

Levies authorized by this subdivision shall be computed according to procedures established by the commissioner.

Sec. 7. [ADDITIONAL TRANSPORTATION LEVY, 1983.]

In 1983 only, a district may levy an amount equal to the estimated cost, in the school year beginning in the year in which the levy is certified, of transporting secondary pupils to and from school who live more than one mile but less than two miles from the public school which they could attend or from a nonpublic school actually attended.

Sec. 8. [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:

\$85,874,000.....1984,

\$106,381,000.....1985.

(a) The appropriation for 1984 includes \$13,471,000 for aid for fiscal year 1983 payable in fiscal year 1984 and \$72,403,000 for fiscal year 1984 payable in fiscal year 1984.

(b) The appropriation for 1985 includes \$12,777,000 for aid for fiscal year 1984 payable in fiscal year 1985 and \$93,604,000 for fiscal year 1985 payable in fiscal year 1985.

(c) The appropriation for fiscal year 1985 includes an amount not to exceed \$6,495,000 for transportation excess levy equalization aid for fiscal year 1985 payable in fiscal year 1985, pursuant to Minnesota Statutes, section 124.225, subdivision 8k.

(d) The appropriations are based on 100 percent aid entitlements of \$85,180,000 for fiscal year 1984 and \$98,530,000 for fiscal year 1985.

Subd. 3. [CANCELLATION.] Any unexpended balance remaining from

the appropriation in this section for 1984 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 in the manner prescribed in Minnesota Statutes, section 124.225, subdivisions 8a and 8k.

ARTICLE 3

SPECIAL EDUCATION

Section 1. Minnesota Statutes 1982, section 120.17, subdivision 3, is amended to read:

Subd. 3. [RULES OF THE STATE BOARD.] The state board shall promulgate rules relative to qualifications of essential personnel, courses of study or training, methods of instruction and training, pupil eligibility, size of classes, rooms, equipment, supervision, parent consultation and any other rules and standards it deems necessary, for instruction of handicapped children. These rules shall provide standards and procedures appropriate for the implementation of and within the limitations of subdivisions 3a and 3b. These rules shall also provide standards for the discipline, control, management and protection of handicapped children. *The state board shall, according to section 14.05, subdivision 4, notify a district applying for a variance from rules within 45 calendar days of receiving the request whether the request for the variance has been granted or denied. If a request is denied, the board shall specify the program standards used to evaluate the request and the reasons the variance was denied.*

Sec. 2. Minnesota Statutes 1982, section 124.17, subdivision 2d, is amended to read:

Subd. 2d. 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. *However, the number of hours for an individual pupil may not exceed 120 or average more than six per day.* Membership in summer school or intersession 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. 3. Minnesota Statutes 1982, section 124.201, subdivision 2, is amended to read:

Subd. 2. [DEFINITIONS.] For the purposes of computing foundation aid for handicapped pupils enrolled in 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. Only pupils

who are handicapped and who are appropriately served at levels 4, 5, or 6 of the continuum of placement model described in § MCAR ~~1.0120 B-11~~, *state board rules* shall be included in the computation of summer school pupil units.

(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 124.2122 for the preceding regular school year.

(3) "Summer school aid" means aid for summer school and inter-session classes of flexible school year programs.

Sec. 4. Minnesota Statutes 1982, section 124.273, subdivision 4, is amended to read:

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. A district shall submit an initial application for aid by October 15 or, for pupils enrolled after that date, by the earlier of February 15 or June 15. Amended applications which reflect changes in enrollment shall be submitted by February 15 and June 15, as applicable. A final report with actual salary and enrollment information shall be submitted by August 15 for calculation of the final payment.~~

(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.

Sec. 5. Minnesota Statutes 1982, section 124.32, subdivision 3a, is amended to read:

Subd. 3a. *Unless otherwise specified*, the aids provided for educational programs for handicapped children shall be paid on a current funding basis.

Sec. 6. Minnesota Statutes 1982, section 124.32, subdivision 5, is amended to read:

Subd. 5. [RESIDENTIAL AID.] 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. Except for the ~~1982-1983~~ aid for

the 1981-1982 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, for each handicapped child placed in a residential facility. Except for 1983 1982 summer school programs, the aid for summer school programs 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. Aid for these programs shall be paid on a reimbursement basis by October 31 following completion of the program. 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-; and

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

Sec. 7. Minnesota Statutes 1982, section 124.32, subdivision 5a, is amended to read:

Subd. 5a. [~~1982-1983~~ RESIDENTIAL AID FOR 1981-1982.] The aid for the ~~1982-1983~~ 1981-1982 school year shall be paid according to subdivision 5, except that for the regular ~~1982-1983~~ 1981-1982 school year the aid shall be an amount not to exceed 35.7 percent of the difference between the instructional costs charged to the resident district and the foundation aid formula allowance, for each handicapped child placed in a residential facility. For summer school programs in ~~1983~~ 1982, the aid for each handicapped child placed in a residential facility shall be an amount not to exceed 35.7 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.

Sec. 8. Minnesota Statutes 1982, section 126.54, subdivision 1, is amended to read:

Subdivision 1. [GRANTS; PROCEDURES.] For fiscal years ~~1982 and 1983, 1984 and 1985~~, the state board of education shall make grants to no fewer than six school year American Indian language and culture education programs. At least three 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 American Indian language and culture education programs. Proposals may provide for contracts for the provision of program components by nonsectarian nonpublic, community, tribal or alternative schools. The state board shall prescribe the form and manner of application for grants, and no grant shall be made for a proposal not complying with the requirements of sec-

tions 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. 9. [SUPERVISION.]

For the 1983-84 school year, all state board of education rules requiring employment of special education supervisory personnel are suspended.

Sec. 10. [STUDENT TO STAFF RATIOS; 1983-1984 SCHOOL YEAR.]

For the 1983-84 school year, a district may increase the student to staff ratios established pursuant to 5 MCAR 1.0122 C. by an amount not to exceed 20 percent.

Sec. 11. [REPEALER.]

Minnesota Statutes 1982, sections 124.273, subdivisions 1 and 2, and 124.32, subdivision 1 are repealed.

Sec. 12. [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:

\$117,883,000.....1984,

\$138,108,000.....1985.

The appropriation for 1984 includes \$15,148,000 for aid for fiscal year 1983 payable in fiscal year 1984, and \$102,735,000 for aid for fiscal year 1984 payable in fiscal year 1984.

The appropriation for 1985 includes \$18,130,000 for aid for fiscal year 1984 payable in fiscal year 1985 and \$119,978,000 for aid for fiscal year 1985, payable in fiscal year 1985.

The appropriations are based on 100 percent aid entitlements of \$120,865,000 for fiscal year 1984 and \$126,293,000 for fiscal year 1985.

Subd. 3. [SUMMER SCHOOL FOUNDATION AID.] For aid pursuant to section 124.201, subdivision 3, for special education summer school programs there is appropriated:

\$ 621,000.....1984,

\$ 749,000.....1985.

The appropriation for 1984 is for 1983 summer school programs.

The appropriation for 1985 is for 1984 summer school programs.

Subd. 4. [SUMMER SCHOOL SPECIAL EDUCATION AID.] For special education aid for summer school programs there is appropriated:

\$3,325,000.....1984,

\$3,617,000.....1985.

The appropriation for 1984 is for 1983 summer school programs.

The appropriation for 1985 is for 1984 summer school programs.

Subd. 5. [RESIDENTIAL FACILITIES AID.] For aid pursuant to section 124.32, subdivision 5, there is appropriated:

\$1,139,000.....1984,

\$1,238,000.....1985.

Subd. 6. [LIMITED ENGLISH PROFICIENCY PUPILS PROGRAM AID.] For aid to educational programs for pupils of limited English proficiency pursuant to section 124.273 there is appropriated:

\$2,884,000.....1984,

\$3,450,000.....1985.

The appropriation for 1984 includes \$380,000 for aid for fiscal year 1983 payable in fiscal year 1984, and \$2,504,000 for aid for fiscal year 1984 payable in fiscal year 1984.

The appropriation for 1985 includes \$442,000 for aid for fiscal year 1984 payable in fiscal year 1985 and \$3,008,000 for aid for fiscal year 1985, payable in fiscal year 1985.

The appropriations are based on 100 percent aid entitlements of \$2,946,000 for fiscal year 1984 and \$3,166,000 for fiscal year 1985.

Subd. 7. [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:

\$542,000.....1984,

\$633,000.....1985.

The appropriation for 1984 includes \$73,000 for aid for fiscal year 1983 payable in fiscal year 1984, and \$469,000 for aid for fiscal year 1984 payable in fiscal year 1984.

The appropriation for 1985 includes \$83,000 for aid for fiscal year 1984 payable in fiscal year 1985 and \$550,000 for aid for fiscal year 1985, payable in fiscal year 1985.

The appropriations are based on 100 percent aid entitlements of \$552,000 for fiscal year 1984 and \$579,000 for fiscal year 1985.

Subd. 8. [HEARING IMPAIRED SUPPORT SERVICES AID.] For payment of support services for hearing impaired persons pursuant to section 121.201 there is appropriated:

\$42,000.....1984,

\$43,000.....1985.

The appropriations are based on 100 percent aid entitlements of \$42,000 for fiscal year 1984 and \$45,000 for fiscal year 1985.

Subd. 9. [CANCELLATION.] Any unexpended balances remaining from the appropriations in this section for 1984 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. 10. [PRORATION.] If the appropriation amount in subdivisions 2, 3, 4, 5 or 6 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. 13. [EFFECTIVE DATE.]

Section 2 of this article is effective the day following final enactment.

ARTICLE 4

COMMUNITY AND ADULT EDUCATION

Section 1. [124.2715] [COMMUNITY EDUCATION AID.]

Subdivision 1. [ELIGIBILITY.] For the fiscal year 1984 and thereafter, the state shall pay aid for community education programs according to the provisions of this section. A district shall establish a community education council according to section 121.88.

Subd. 2. [EQUALIZED REVENUE.] A district's equalized revenue for any fiscal year shall equal \$5 times the population of the district.

Subd. 3. [EQUALIZED AID.] A district's equalized aid for any fiscal year shall equal its equalized revenue for that fiscal year minus its equalized levy for use in that fiscal year, computed according to section 2.

Subd. 4. [ADDITIONAL AID.] If a district's equalized revenue is less than \$7,000, that district shall receive additional aid. The aid shall be the difference between its equalized revenue and \$7,000.

Subd. 5. [AID PENALTY FOR UNDER LEVY.] In any year in which the amount a district levies according to section 2 is less than the permitted amount according to section 2, the sum of the district's equalized and additional aid shall be reduced by a percentage equal to the difference between the actual amount of the levy and the permitted amount of the levy, divided by the permitted amount of the levy. The actual amount of the levy shall not include reductions made according to section 275.125, subdivision 9.

Subd. 6. [POPULATION.] The population of the district, for the purposes of this section and section 2, is the population as certified by the state demographer according to section 275.14.

Subd. 7. [ACCOUNTS AND USE OF FUNDS.] Each district providing community education programs shall establish and maintain accounts separate from all other district accounts for the receipt and disbursement of community education funds. All funds received according to this section and sections 2 and 3 shall be used solely for the purposes of community education programs. These funds may be used to reimburse G.E.D. testing centers for each battery of tests or each individual test administered by a center.

Subd. 8. [PAYMENT SCHEDULE.] The state shall pay each school district 85 percent of its aid for community education programs for the current fiscal year by November 1. The final aid distribution shall be made by No-

ember 1 of the following fiscal year.

Sec. 2. Minnesota Statutes 1982, section 275.125, is amended by adding a subdivision to read:

Subd. 8a. [EQUALIZED LEVY FOR COMMUNITY EDUCATION.] Each year a district may levy for its community education programs. The amount shall be an amount equal to .75 mill times the adjusted assessed valuation of the district for the preceding year, but not more than \$5 times the population of the district.

Sec. 3. Minnesota Statutes 1982, section 275.125, is amended by adding a subdivision to read:

Subd. 8b. [EXCESS LEVY FOR COMMUNITY EDUCATION.] In addition to the levy authorized in section 2, a district may levy an amount equal to (a) for the year in which the levy is certified, the maximum permissible revenue from equalized aid, additional aid, equalized levy, and excess levy, computed according to section 1, subdivisions 3 and 4, and sections 2 and 3, minus (b) for the next fiscal year, the estimated amount of maximum permissible revenue from equalized aid, additional aid, and equalized levy, computed according to section 1, subdivisions 3 and 4, and section 2. For the levy certified in 1983 for the 1984-1985 school year, the amount of the excess levy may be increased by five percent.

Sec. 4. [1984 REVENUE.]

Notwithstanding the provisions of section 3, for fiscal year 1984, the maximum permissible revenue used in the computation in section 3, clause (a), shall equal the district's aid computed according to Minnesota Statutes 1982, section 124.271, for fiscal year 1983, plus the amount of the district's levy limitation for the 1981 payable 1982 levy, according to Minnesota Statutes 1982, section 275.125, subdivision 8. No general reductions applied to community education aid according to Laws 1981 Third Special Session, chapter 2, article II, section 2, clause (mm) and Laws 1982 Third Special Session, article III, section 6, shall be used in determining the aid.

Sec. 5. [LEVY ADJUSTMENT.]

The commissioner of education shall adjust the 1983 payable 1984 community education levy limitations for school districts according to the provisions of this section. The adjustment shall be an amount equal to the positive or negative difference between the amount that was certified according to section 275.125, subdivision 8, and the amount that would have been certified if the provisions of sections 2 and 3 had been effective.

Sec. 6. [REPEALER.]

Minnesota Statutes 1982, sections 124.271 and 275.125, subdivision 8, are repealed. The repeal of section 124.271 shall not affect the right of a school district to receive nor the obligation of the commissioner of education to pay the final aid distribution by November 1 in fiscal year 1984.

Sec. 7. [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. [ADULT EDUCATION AID.] For adult education aid pursuant to section 124.26 there is appropriated:

\$1,370,000.....1984,

\$1,600,000.....1985.

The amount appropriated for fiscal year 1984 includes \$185,000 for aid for fiscal year 1983 payable in fiscal year 1984, and \$1,185,000 for aid for fiscal year 1984 payable in fiscal year 1984.

The amount appropriated for fiscal year 1985 includes \$209,000 for aid for fiscal year 1984 payable in fiscal year 1985, and \$1,391,000 for aid for fiscal year 1985 payable in fiscal year 1985.

The appropriations are based on 100 percent aid entitlements of \$1,394,000 for fiscal year 1984 and \$1,464,000 for fiscal year 1985.

Subd. 3. [COMMUNITY EDUCATION AID.] For community education aid pursuant to section 1 there is appropriated:

\$1,753,000.....1984,

\$1,370,000.....1985.

The amount appropriated for fiscal year 1984 includes \$494,000 for aid for fiscal year 1983 payable in fiscal year 1984, and \$1,259,000 for aid for fiscal year 1984 payable in fiscal year 1984.

The amount appropriated for fiscal year 1984 includes \$222,000 for aid for fiscal year 1984 payable in fiscal year 1985, and \$1,148,000 for fiscal year 1985 payable in fiscal year 1985.

The appropriations are based on 100 percent aid entitlements of \$1,481,000 for fiscal year 1984 and \$1,208,000 for fiscal year 1985.

Subd. 4. [CANCELLATION AND PRORATION.] Any unexpended balance remaining from the appropriations in this section for 1984 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 5

VOCATIONAL EDUCATION

Section 1. [124.5611] [AVTI FUNDING.]

Beginning with aids for the 1983-1984 school year, post-secondary vocational aids for AVTI's shall be paid for the current fiscal year according to sections 1 to 9, and 124.564.

Sec. 2. [124.5612] [AVTI AID DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] Beginning with aids for the 1983-1984 school year, for the purposes of sections 1 to ..., 124.564, and 124.565, the following terms have the meanings given them.

Subd. 2. [ADM.] "ADM" means average daily membership computed according to section 7.

Subd. 3. [AVTI.] "AVTI" means a post-secondary area vocational-technical institute.

Subd. 4. [COMPONENT ACTIVITIES.] "Component activities" means regular instruction, related instruction, special needs instruction, research, instructional administration, media/library, pupil personnel services, health services, director's office, instructional services, fixed costs, work study/financial aid, physical plant, and repair and betterment.

Subd. 5. [INSTRUCTIONAL AID.] "Instructional aid" means state moneys, exclusive of repair and betterment aid and debt service aid, allocated by the state board for vocational education to districts for post-secondary vocational-technical education instructional costs.

Subd. 6. [INSTRUCTIONAL COSTS.] "Instructional costs" means expenditures in the following categories: licensed and nonlicensed staff salaries; licensed and nonlicensed staff fringe benefits, excluding teachers' retirement and teachers' social security; staff travel for instructional, administrative, and professional development purposes; purchased services; other expenditures, detailed according to UFARS; supplies and materials; supplies for resale; rents and leases; acquisition or purchase of equipment and machinery; and betterment of equipment and machinery.

Subd. 7. [PROGRAM.] "Program" means a post-secondary vocational-technical occupational program as classified with a six-digit number by the United States department of education.

Subd. 8. [REPAIR AND BETTERMENT AID.] "Repair and betterment aid" means state moneys, exclusive of instructional aid and debt service aid, allocated by the state board for vocational education to districts. The aid is to reconstruct, improve, remodel, and repair existing AVTI buildings and grounds, as necessary to conduct post-secondary vocational-technical education.

Subd. 9. [UFARS.] "UFARS" means the uniform financial accounting and reporting system.

Sec. 3. [124.5613] [PROCESS FOR AID ALLOCATION.]

Subdivision 1. [BUDGET SUBMISSION.] Before January 1, each AVTI shall submit budgets for the following fiscal year. The instructional aid budget shall detail estimated instructional costs in each expenditure category for each program and component activity of the AVTI's operations. The instructional aid budget shall include estimated revenues from sale of supplies and services, sale of equipment and other capital goods, and other revenues, detailed according to UFARS. The repair and betterment budget shall detail estimated costs for each repair and betterment project proposed by the AVTI. The repair and betterment budget shall not include any expenditures or revenues included in the instructional aid budget.

Subd. 2. [RECOMMENDED ALLOCATIONS.] After reviewing each budget, the department of education shall recommend aid allocations for the following fiscal year.

The recommendations for allocations of instructional aid, to the extent

possible, shall be based on average systemwide ADM to teacher ratios of 12 to 1 for health programs and 17 to 1 for non-health programs. The department shall recommend instructional aid allocations sufficient to maintain or improve special needs instruction. Allocations of instructional aid shall be recommended in each expenditure category for each program and component activity. The unappropriated capital balance of the equipment account in the capital fund, as of June 30 of the fiscal year during which allocations are made, shall be taken into consideration by the department in recommending allocations for the expenditure categories listed in section 4, subdivision 3, clauses (a), (b), (c), and (d). In recommending total allocation of instructional aid for each AVTI, the department shall take into consideration the amount of each AVTI's estimated 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 UFARS, for the fiscal year during which allocations are made. The estimated amount of each AVTI's tuition revenues in the fiscal year for which aid is allocated shall be taken into consideration.

Allocations of repair and betterment aid shall be recommended for each project proposed by an AVTI. In recommending a total allocation of repair and betterment aid for each AVTI, the department shall take into consideration the amount of each AVTI's estimated net positive unappropriated capital balance of the repair and betterment account of the capital fund, as of June 30 of the fiscal year during which allocations are made.

Subd. 3. [HEARING.] The aid allocations recommended by the department of education shall be taken to a public hearing held by the state board of vocational education with at least six board members present. The hearing shall continue until all interested persons, representatives, and organizations have had an opportunity to be heard. Notice of the hearing shall be given at least 20 days prior to the date set for the hearing. The notice shall be published in the state register and mailed to each district submitting a budget, and other interested persons and organizations who register their names with the commissioner of education for that purpose. The department of education shall make available at least one free copy of the recommended allocations to the education committees of the legislature and to any person requesting it. An audio magnetic recording device shall be used to keep a record at every hearing. A transcript of the hearing record shall be made available upon the request of any person, if the request is in writing and the requester pays the cost of preparing the transcript.

Subd. 4. [HEARING REPORT.] 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 districts upon request for at least 15 days before the state board takes final action allocating aids.

Subd. 5. [MODIFICATIONS TO REPORT.] 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 final allocation of aids at the meeting at which the state board takes

final action allocating aids. The state board may place reasonable restrictions on the length of time allowed for testimony.

Subd. 6. [FINAL ALLOCATION.] By June 1, after hearing modification requests, if any, the state board shall take final action to allocate aids. Allocations of instructional aid shall be detailed in each expenditure category for each program and component activity. The total allocation for each AVTI shall specify the amounts of any fund balances and tuition revenues taken into consideration. Allocations of repair and betterment aid shall be detailed for each project. The total allocation for each AVTI shall specify the amount of any fund balance taken into consideration.

Sec. 4. [124.5614] [USE OF AID.]

Subdivision 1. [EDUCATION ONLY.] All AVTI aids and all tuition authorized by section 124.565 shall be used solely for the purposes of post-secondary vocational-technical education.

Subd. 2. [ACCOUNTING.] Each district providing post-secondary vocational-technical education shall maintain, in accordance with section 121.908, separate revenue, expenditure, asset and liability accounts for post-secondary vocational-technical education within funds separate from all other district funds.

Subd. 3. [INSTRUCTIONAL AID.] Instructional aid allocated for the following purposes shall be placed in the equipment account of the capital fund:

(a) acquisition or purchase of equipment or machinery;

(b) betterment of equipment or machinery;

(c) paying leasing fees for computer systems hardware and related proprietary software, photocopy machines and telecommunications equipment; and

(d) renting or leasing buildings for school purposes. Aid allocated for these purposes shall be used solely for these purposes. All other instructional aid which is allocated shall be placed in the general fund and shall not be transferred to any other fund. The school board shall authorize and approve actual expenditures of the aid allocated.

Subd. 4. [SPECIAL NEEDS.] Aid allocated for special needs instruction shall be used solely for that purpose.

Subd. 5. [REPAIR AND BETTERMENT AID.] The final allocation of repair and betterment aid by the state board does not constitute approval of a project for the purposes of section 121.21, subdivision 4a. The aid shall be placed in the repair and betterment account of the capital fund and used solely for the purposes enumerated in section 2, subdivision 8. The school board shall authorize and approve actual expenditures of the aid allocated, except that expenditures which exceed \$5,000 shall receive prior approval by the commissioner. The process in section 3 shall not constitute approval for this purpose. Use of the aid shall be governed by the provisions of section 121.21, subdivision 4a.

Sec. 5. [124.5615] [DISTRIBUTION OF MONEY.]

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 allocated by the state board for vocational education to districts in accordance with law and shall be distributed by the state aids section of the department of education.

Sec. 6. [124.5616] [CERTAIN EQUIPMENT EXPENDITURES.]

Expenditures for the purposes in section 4, subdivision 3, clauses (a), (b), (c), and (d) which exceed \$8,000 shall receive prior approval by the commissioner. The process in section 3 shall not constitute approval for this purpose.

Sec. 7. [124.5617] [AVERAGE DAILY MEMBERSHIP.]

Subdivision 1. [MEMBERSHIP.] Membership for pupils in AVTI's shall mean the number of pupils on the current roll of the school, counted from the date of entry until the date of withdrawal.

Subd. 2. [WITHDRAWAL.] The date of withdrawal shall mean the date a pupil completes the program and permanently leaves the AVTI. A pupil who has been absent for 15 consecutive school days shall be deemed to have permanently left the school. A pupil who permanently leaves the school on or before the fifteenth day of a quarter shall be deemed not to have entered during that quarter. For a pupil who permanently leaves after the fifteenth school day of a quarter without completing the program, the date of withdrawal shall be the earliest of the following:

(a) the date the pupil is scheduled to complete the program;

(b) the date the AVTI fills the vacancy created by leaving; or

(c) the last day of the quarter during which the pupil permanently leaves the AVTI.

Subd. 3. [COMPUTATION.] Average daily membership for pupils enrolled in an AVTI shall equal (a) the sum for all pupils of the number of days of the school year each pupil is enrolled in an AVTI, counted from the date of entry until the date of withdrawal, times the number of hours per day each student is enrolled divided by six (b) divided by 175. The number of hours counted for any pupil in any one program shall not exceed the number of hours approved by the state board for completion of the program. However, the commissioner may grant a district permission to count additional hours for membership, not to exceed ten percent of the approved number of hours for the program, if additional hours are necessary for a pupil who is identified by the district as disadvantaged or handicapped, to complete the program. Adult vocational pupils shall not be counted for the purposes of this section.

Subd. 4. [CHEMICAL ABUSE TREATMENT.] A pupil who is absent from an AVTI to participate in a chemical abuse treatment program and who is on the roll of the AVTI according to the provisions of section 9 may be counted in average daily membership during that time for not more than 30 consecutive school days. If a returning pupil needs additional hours to complete the educational program, the AVTI may count the lesser of the following additional hours for membership:

(a) the number of hours the pupil was counted while participating in the

treatment program; or

(b) 30 times the number of hours per day the pupil is enrolled.

Sec. 8. [124.5618] [LENGTH OF SCHOOL YEAR AND DAY.]

For an AVTI, the normal school year shall be at least the number of session days required by section 124.19, subdivision 1. In all AVTI's, the length of the school day for each pupil, exclusive of the noon intermission, shall be at least six hours. Exceptions may be made by the district for approved AVTI programs provided on a part time or extended day basis to meet the needs of individual students or classes. These exceptions are authorized only for programs originally provided on a full time basis.

Sec. 9. [124.5619] [ABSENCE FOR CHEMICAL ABUSE TREATMENT.]

If a pupil is absent from an AVTI to participate in a chemical abuse treatment program licensed by the state, the pupil may request the AVTI to remain on the roll in the educational program in which the pupil is enrolled. The AVTI shall grant a request it receives from the pupil.

Sec. 10. Minnesota Statutes 1982, section 124.572, subdivision 2, is amended to read:

Subd. 2. [ADULT VOCATIONAL AID.] Except for the 1982-1983 school year, the state shall pay to any district or cooperative vocational center 75 percent of the salaries paid to essential, licensed personnel or personnel exempt from licensure pursuant to section 125.031 in that school year for services rendered in that district's or center's adult vocational education programs. *Notwithstanding any law or any licensure requirements to the contrary, the portion of a community education director's salary attributable to services rendered for the district's or center's adult vocational education program shall qualify for aid according to this subdivision.* In addition, the state shall pay 50 percent of the costs of necessary travel between instructional sites by adult vocational education teachers. The commissioner may withhold all or any portion of this aid for an adult vocational education program which receives moneys from any other source, and in no event shall a district or center receive a total amount of state aid for salaries and travel pursuant to this section which, when added to moneys from other sources, will provide the program an amount for salaries and travel which exceeds 100 percent of the amount of its expenditures for salaries and travel in the program.

Sec. 11. [1984 REPORT.]

By October 1, 1984, the commissioner of education shall report a five year projection of the replacement needs of fixed assets property for each of the AVTI's. The report shall be submitted to the education committees of the legislature and to the directors of the AVTI's.

Sec. 12. [ADULT VOCATIONAL REPORT.]

By January 1, 1984, the state board shall report to the education committees of the legislature on the feasibility of funding adult vocational education programs with full-time instructors in the same manner as post-secondary vocational education programs.

Sec. 13. [REPEALER.]

Minnesota Statutes 1982, sections 124.561, 124.562, 124.5621, 124.5622, 124.5623, 124.5624, 124.5625, 124.5626, and 124.5627 are repealed. The repeal of these sections shall not affect the right of a school district to receive nor the obligation of the commissioner of education to pay aids attributable to the 1982-1983 school year payable in fiscal year 1984 under or by virtue of the sections repealed.

Sec. 14. [APPROPRIATIONS.]

Subdivision 1. There is appropriated from the general fund to the department of education the sums indicated in this section for the fiscal years ending June 30 in the years designated.

Subd. 2. [POST-SECONDARY VOCATIONAL INSTRUCTIONAL AID.] For post-secondary vocational instructional aid there is appropriated:

\$ 89,949,000.....1984,

\$106,160,000.....1985.

The appropriation for 1984 includes \$7,890,000 for aid for fiscal year 1983 payable in fiscal year 1984, pursuant to section 124.5621, and \$82,059,000 for aid for fiscal year 1984 payable in fiscal year 1984, pursuant to section 3.

The appropriation for 1984 is based on the assumption that the state will spend for this purpose an amount at least equal to \$5,700,000 in fiscal year 1984 of federal money received for vocational education programs pursuant to the Vocational Education Act of 1963, as amended.

The appropriation for 1985 includes \$14,481,000 for aid for fiscal year 1984 payable in fiscal year 1985 and \$91,679,000 for aid for fiscal year 1985 payable in fiscal year 1985, pursuant to section 3.

The appropriation for 1985 is based on the assumption that the state will spend for this purpose an amount at least equal to \$5,700,000 in fiscal year 1985 of federal money received for vocational education programs pursuant to the Vocational Education Act of 1963, as amended.

The appropriations are based on 100 percent aid entitlements of \$96,540,000 for fiscal year 1984 and \$96,504,000 for fiscal year 1985.

Subd. 3. [POST-SECONDARY VOCATIONAL SUPPLY AID.] For post-secondary vocational supply aid there is appropriated:

\$2,370,000.....1984.

The appropriation is for aid for fiscal year 1983 payable in fiscal year 1984.

Subd. 4. [POST-SECONDARY VOCATIONAL SUPPORT SERVICES AID.] (a) For post-secondary vocational support services aid there is appropriated:

\$2,428,000.....1984.

The appropriation is for aid for fiscal year 1983 payable in fiscal year 1984.

Subd. 5. [POST-SECONDARY VOCATIONAL EQUIPMENT AID.] For post-secondary vocational equipment aid there is appropriated:

\$1,458,000.....1984.

The appropriation is for aid for fiscal year 1983 payable in fiscal year 1984.

Subd. 6. [POST-SECONDARY VOCATIONAL REPAIR AND BETTERMENT AID.] For post-secondary vocational repair and betterment aid there is appropriated:

\$2,183,000.....1984,

\$1,787,000.....1985.

The appropriation for 1984 includes \$191,000 for aid for fiscal year 1983 payable in fiscal year 1984 pursuant to section 124.5627, and \$1,992,000 for aid for fiscal year 1984 payable in fiscal year 1984 pursuant to section 3.

The appropriation for 1985 includes \$352,000 for aid for fiscal year 1984 payable in fiscal year 1985, and \$1,435,000 for aid for fiscal year 1985 payable in fiscal year 1985 pursuant to section 3.

The appropriations are based on 100 percent aid entitlements of \$2,344,000 for fiscal year 1984 and \$1,511,000 for fiscal year 1985.

Subd. 7. [POST-SECONDARY VOCATIONAL DEBT SERVICE AID.] For post-secondary vocational debt service aid there is appropriated:

\$6,987,000.....1984,

\$6,715,000.....1985.

Subd. 8. [ADULT VOCATIONAL EDUCATION AID.] For adult vocational education aid there is appropriated:

\$7,796,000.....1984,

\$9,101,000.....1985.

The appropriation for 1984 includes \$1,055,000 for aid for fiscal year 1983 payable in fiscal year 1984. This amount also includes \$6,741,000 for aid for fiscal year 1984.

The appropriation for 1985 includes \$1,190,000 for aid for fiscal year 1984 payable in fiscal year 1985. This amount also includes \$7,911,000 for aid for fiscal year 1985 payable in fiscal year 1985.

The appropriations are based on 100 percent aid entitlements of \$7,931,000 for fiscal year 1984 and \$8,327,000 for fiscal year 1985.

Subd. 9. [VETERAN FARMER COOPERATIVE TRAINING PROGRAMS.] For veteran farmer cooperative training programs there is appropriated:

\$392,000.....1984,

\$320,000.....1985.

Subd. 10. [SECONDARY VOCATIONAL EDUCATION AID.] For secondary vocational education aid pursuant to section 124.573 there is appro-

priated:

\$20,545,000.....1984,

\$22,441,000.....1985.

The appropriation for 1984 includes \$2,935,000 for aid for fiscal year 1983 payable in fiscal year 1984. This amount also includes \$17,610,000 for aid for fiscal year 1984 payable in fiscal year 1984.

The appropriation for 1985 includes \$3,108,000 for aid for fiscal year 1984 payable in fiscal year 1985. This amount also includes \$19,333,000 for aid for fiscal year 1985 payable in fiscal year 1985.

The appropriations are based on 100 percent aid entitlements of \$20,718,000 for fiscal year 1984 and \$20,351,000 for fiscal year 1985.

For the purposes of this subdivision, funds appropriated for secondary vocational education programs may not be expended for the purpose of discontinuing or converting existing senior secondary industrial arts education programs.

Subd. 11. [AID FOR SECONDARY VOCATIONAL EDUCATION PROGRAMS FOR HANDICAPPED CHILDREN.] For secondary vocational programs for handicapped children pursuant to section 124.574 there is appropriated:

\$2,585,000.....1984,

\$3,020,000.....1985.

The appropriation for 1984 includes \$348,000 for aid for fiscal year 1983 payable in fiscal year 1984. This amount also includes \$2,237,000 for aid for fiscal year 1984 payable in fiscal year 1984. This appropriation is based on the assumption that the state will spend for this purpose an amount at least equal to \$230,000 in fiscal year 1984 of federal money received for vocational education programs pursuant to the Vocational Education Act of 1963, as amended.

The appropriation for 1985 includes \$395,000 for aid for fiscal year 1984 payable in fiscal year 1985. This amount also includes \$2,625,000 for aid for fiscal year 1985 payable in fiscal year 1985. This appropriation is based on the assumption that the state will spend for this purpose an amount at least equal to \$230,000 in fiscal year 1985 of federal money received for vocational education programs pursuant to the Vocational Education Act of 1963, as amended.

The appropriations are based on 100 percent aid entitlements of \$2,632,000 for fiscal year 1984 and \$2,763,000 for fiscal year 1985.

Subd. 12. [CANCELLATION; PRORATION.] Any unexpended balance remaining from the appropriations in this section for 1984 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. 15. [EFFECTIVE DATE.]

Sections 1, 2, and 3 are effective the day following final enactment.

ARTICLE 6

OTHER AIDS AND LEVIES

Section 1. [121.199] [GRANTS FOR TEACHER INSTITUTES.]

A grant program is established to provide teacher institutes for professional instruction and education of teachers, according to Minnesota Statutes, section 121.20. A grant is available to public and private post-secondary institutions, other than an area vocational-technical institute. The state board of education shall award the grants to institutions. The state board shall determine the form, contents, and time for applications.

Sec. 2. [121.202] [EDUCATION DISTRICT TASK FORCE.]

An education district task force is established. The task force shall oversee education districts and provide direction for research and development relating to education districts. The task force shall consist of 11 members and shall be appointed by the commissioner of education. One member shall represent each congressional district and three shall represent the state at large. The terms, compensation, and removal of the task force shall be as provided in section 15.059, subdivisions 2, 3, and 4.

Sec. 3. Minnesota Statutes 1982, section 123.36, subdivision 13, is amended to read:

Subd. 13. [USE OF SALE PROCEEDS.] 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 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) for expenditures for the removal of asbestos from school buildings or property or for asbestos encapsulation;

(e) for expenditures for the cleanup and disposal of polychlorinated biphenyls; or

(f) to replace the building or property sold.

The amount of the proceeds used for the purposes specified in clauses (a)-(b) and (e) to (f) shall be deducted from the levy limitation computed for the levy authorized in section 275.125, subdivision 11b, 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 proceeds of the sale or exchange remaining in districts 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.

(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. 4. Minnesota Statutes 1982, section 123.36, is amended by adding a subdivision to read:

Subd. 14. [ASBESTOS REMOVAL AND POLYCHLORINATED BIPHENYLS CLEANUP.] Notwithstanding any law to the contrary, school districts may, without an election, enter into contracts extending beyond the end of the fiscal year to pay the costs of removal or encapsulation of asbestos or cleanup and disposal of polychlorinated biphenyls found in school buildings or on school property.

Sec. 5. Minnesota Statutes 1982, section 123.702, subdivision 1a, is amended to read:

Subd. 1a. [COMPONENTS.] A screening program shall include at least the following components to the extent the school board determines they are financially feasible: developmental assessments, hearing and vision screening, review of health history and immunization status, and assessments of height, and weight and blood pressure. 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. A school board may offer additional components such as nutritional, physical and dental assessments, *blood pressure*, and laboratory tests. State aid shall not be paid for additional components.

Sec. 6. Minnesota Statutes 1982, section 123.705, is amended to read:

123.705 [STATE HEALTH SCREENING AID.]

Subdivision 1. [AID AMOUNTS.] 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 \$28 per child screened in fiscal year 1982 and \$15 per child screened in fiscal year 1983, \$15 per child screened in fiscal year 1984, and \$15.75 per child screened in fiscal year 1985. Any district may request and receive an advance payment equal to 50 percent of its estimated payment for screening eligible children.

Subd. 2. [PAYMENT SCHEDULE.] Starting in the 1982-1983 school year, 85 percent of a district's health screening aid for each school year shall be distributed prior to November 30 of that school year. The final aid distribution to each district shall be made prior to November 30 of the following school year.

Sec. 7. Minnesota Statutes 1982, section 123.933, subdivision 3, is amended to read:

Subd. 3. [COST OF TEXTBOOKS; LIMITATION.] (a) The cost per pupil of the textbooks, individualized instructional materials and standardized tests provided for in this section for each school year shall not exceed the statewide average expenditure per pupil, adjusted pursuant to clause (b), by the Minnesota public elementary and secondary schools for textbooks, individualized instructional materials and standardized tests as computed and established by the department of education by March 1 of the preceding school year from the most recent public school year data then available.

(b) The cost computed in clause (a) shall be increased by an inflation adjustment equal to the percent of increase in the foundation aid formula allowance, pursuant to section 124.2122, subdivision 1, from the second preceding school year to the current school year.

(c) The commissioner shall allot to the school districts or intermediary service areas the total cost for each school year of providing or loaning the textbooks, individualized instructional materials and standardized tests for the pupils in each nonpublic school. The allotment shall not exceed the product of the statewide average expenditure per pupil, adjusted pursuant to clause (b), multiplied by the number of nonpublic school pupils who make requests pursuant to this section and who are enrolled as of September 15 of the current school year.

(d) Starting in the 1982-1983 school year, 85 percent of a district's non-public pupil aid shall be distributed prior to December 31 of that school year.

The final aid distribution to each district shall be made prior to December 31 of the following school year.

Sec. 8. Minnesota Statutes 1982, section 124.15, subdivision 5, is amended to read:

Subd. 5. [VIOLATION; AID REDUCTION.] If the violation specified is corrected within the time permitted, or if the commissioner on being notified of the district board's decision to dispute decides ~~such~~ the violation does not exist, or if the state board decides after hearing no violation specified in the commissioner's notice existed at the time ~~thereof~~ of it, or that ~~such as any~~ which existed were corrected within the time permitted, there ~~will~~ *shall* be no reduction of special state aids payable to ~~such~~ the school district. Otherwise special state aids payable to the district for the year in which the violation occurred ~~will~~ *shall* be reduced as follows: The total amount of special state aids to which the district may be entitled ~~will~~ *shall* be reduced in the proportion that the period during which a specified violation continued, computed from the last day of the time permitted for correction, bears to the total number of days school is held in the district during the year in which ~~such~~ a violation exists, *multiplied by 60 percent of the product of the foundation aid formula allowance times its pupil units for that year.*

Sec. 9. Minnesota Statutes 1982, section 124.19, subdivision 3, is amended to read:

Subd. 3. [UNCERTIFIED TEACHERS; AID REDUCTION.] When a district employs a ~~teacher~~ *one or more teachers that* who do not hold a valid teaching certificate, special state aid shall be withheld in the proportion that the number of such teachers is to the total number of teachers employed by the district, *multiplied by 60 percent of the product of the foundation aid formula allowance times its pupil units for the year in which the employment occurred.*

Sec. 10. Minnesota Statutes 1982, 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~~ the 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 subdivisions 2a, and subdivisions 2i, 5, 6c, and 7a~~ to the total amount of the district's maximum levy limitation in the preceding October pursuant to section 275.125. *If the district is entitled to aid pursuant to section 124.2123, the levy limitation pursuant to section 275.125, subdivi-*

sion 6b, shall be included in the computation of the ratio. If the district is entitled to aid pursuant to section 124.2128, the levy limitation pursuant to section 275.125, subdivision 6d, shall be included in the computation of the ratio. For purposes of this computation, 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. 11. Minnesota Statutes 1982, section 124.245, is amended by adding a subdivision to read:

Subd. 1c. [HAZARDOUS SUBSTANCE COMPUTATION.] For the 1984-1985 school year and each year thereafter, the state shall pay a school district the difference by which an amount equal to the amount by which \$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. To qualify for aid pursuant to this subdivision in any school year, a district must levy the maximum permissible amount pursuant to section 275.125, subdivision 11c 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 275.125, subdivision 11c may be used.

Sec. 12. Minnesota Statutes 1982, section 124.246, subdivision 2, is amended to read:

Subd. 2. [CHEMICAL USE PROGRAM AID.] Except for the 1982-1983 school year, An eligible district shall receive \$1 \$1.05 for the 1983-1984 school year and \$1.10 for the 1984-1985 school year 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 \$1,050 for the 1983-1984 school year or less than \$1,100 for the 1984-1985 school year.

Sec. 13. Minnesota Statutes 1982, section 124.247, subdivision 3, is amended to read:

Subd. 3. [GIFTED AND TALENTED PROGRAM AID.] A district which establishes a program for gifted and talented students shall receive for the purpose of this program an amount equal to \$16.25, in the 1981-1982 school year, and \$16.18 in the 1982-1983 school year, \$18.40 in the 1983-1984 school year, and \$19.30 in the 1984-1985 school year, times the number of gifted and talented students in the district. No more than five 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. 14. Minnesota Statutes 1982, section 124.247, is amended by adding a subdivision to read:

Subd. 5. [PAYMENT SCHEDULE.] Starting in the 1982-1983 school year, 85 percent of a district's gifted and talented program aid for each school year shall be distributed prior to November 30 of that school year.

The final aid distribution to each district shall be made prior to November 30 of the following school year.

Sec. 15. [124.248] [ESTABLISHMENT OF EDUCATION DISTRICTS.]

Subdivision 1. [DECLARATION OF POLICY.] It is the intent of the legislature to encourage improved efficiency and effectiveness of education in Minnesota and to maximize the use of educational faculty and educational facilities. It is the policy of the legislature to encourage educational institutions, districts, and systems to work together cooperatively.

Subd. 2. [EDUCATION DISTRICT DEFINITION.] For purposes of this section, "education district" means:

(a) fewer than four school districts, if the combined enrollment is at least 10,000 pupils, which have entered into an agreement pursuant to sections 122.541, 122.85, or 471.59; or

(b) four or more school districts which have entered into an agreement pursuant to sections 122.541, 122.85, or 471.59; or

(c) a district or an attendance area within a school district with a total enrollment of more than 10,000 pupils in the attendance area;

(d) one or more districts with 1,000 square miles or more; or

(e) fewer than four school districts with a combined area of 1,000 square miles or more, if approved by the state board of education.

Subd. 3. [POWERS AND DUTIES.] School districts participating in an education district shall work cooperatively to extend, combine, or expand current educational and curriculum opportunities for all students in the education district. Efforts shall be made to improve efficiency and cost effectiveness and maximize the use of administrative and instructional personnel within the education district. This may involve the sharing of personnel as well as facilities. An education district must operate programs pursuant to sections 121.85 to 121.88, 121.501 to 121.507, 124.247, and 129B.06 to 129B.09.

Subd. 4. [EDUCATION DISTRICT BOARD.] An education district board shall coordinate the manner in which the agreement is carried out. The board shall consist of up to two representatives appointed by the full membership of each of the boards of the districts entering into the agreement and at least one representative from each vocational institution located in the education district.

Subd. 5. [ADVISORY COUNCIL.] An advisory council consisting of representatives from the following areas shall be appointed by the education board: improved learning program, early childhood and family education program, gifted and talented program, community education program, curriculum advisory committee, special education, vocational education, parent associations, and public and private post-secondary institutions in the education district area.

Subd. 6. [STATE BOARD.] Prior to the receipt of any funds by an education district, the agreement entered into by participating districts shall be reviewed and approved by the state board of education. The programs approved by the state board of education shall represent a balance between

rural, suburban, and urban school districts.

Subd. 7. [AID.] An eligible education district shall receive for the purpose of this program an amount equal to .015 pupil units times the basic foundation aid allowance for the school year for which the aid is being paid for every child up to five years of age residing in the education district and each pupil in average daily membership enrolled in the public elementary or secondary schools in the education district. Aid shall be paid by June 30 of each fiscal year. Final decisions regarding use of the funds shall remain with the education board organized for each education district.

Subd. 8. [USE OF CAPITAL EXPENDITURE FUNDS.] Notwithstanding the provisions of section 275.125, subdivision 11a, a district receiving aid pursuant to this section may use capital expenditure funds to purchase computer hardware and software for computer assisted learning programs.

Subd. 9. [USE OF TRANSPORTATION AID.] Notwithstanding the provisions of section 124.223, aid received by a district under section 124.225 may be used to transport teachers within an education district.

Sec. 16. [124.272] [INTERDISTRICT COOPERATION AID.]

Subdivision 1. [LIMITATION.] This section does not apply to districts whose boundaries are coterminous with those of cities of the first class or to school districts which are members of intermediate school districts, Nos. 287, 916, and 917. However, this section applies to a district which is a member of an intermediate school district if it has fewer than 2,000 pupil units.

Subd. 2. [ELIGIBLE DISTRICTS.] A district shall be eligible for district cooperation aid if it has entered into a cooperation agreement and if it has a cooperation plan approved by the commissioner of education.

Subd. 3. [COOPERATION PLAN.] To receive aid under this section or to levy under section 275.125, subdivision 8a, a district shall submit to the commissioner of education an application for aid by August 15 each year. The application shall contain the following:

(a) a three-year plan to improve or maintain the district curriculum, which gives priority to offering of any of the following: a three year mathematics sequence in grades 10 through 12, a three year science sequence in grades 10 through 12, a two year foreign language sequence, elementary and secondary courses in computer usage, or other programs recommended by the state board;

(b) an assurance that the proposed curriculum in clause (a) has been developed in conjunction with the planning, evaluation, and reporting process of section 123.741;

(c) a copy of the cooperation agreement;

(d) a description of the proposed cooperative curriculum offerings resulting from the agreement;

(e) the estimated instructional cost of the cooperation plan for the following fiscal year; and

(f) other information required by the commissioner.

Subd. 4. [DEFINITION.] (a) A district's "interdistrict cooperation revenue" equals the lesser of \$50 times the actual pupil units for that school year or the estimated cost of cooperative staffing or course offering to the district for the school year to which the levy is attributable.

(b) A district's "interdistrict cooperation levy limitation" means its levy limitation computed according to section 27.

Subd. 5. [COOPERATION AID.] A district's cooperation aid for any school year shall equal:

(a) the difference between its interdistrict cooperation revenue and its interdistrict cooperation levy limitation for the levy for that school year, multiplied by

(b) the ratio of the amount actually levied to the amount of its interdistrict cooperation levy limitation.

Subd. 6. [APPROVAL WITH APPROPRIATION.] The commissioner shall approve applications for aid within the limitation of the appropriation. Approval shall be based on criteria established by the state board of education.

Subd. 7. [REPORT.] By December 1, 1985, and each year thereafter, the department of education shall report to the education committees of the legislature about the interdistrict cooperation agreements and whether the provisions of this section have increased educational opportunities in those districts.

Sec. 17. Minnesota Statutes 1982, section 124.646, subdivision 1, is amended to read:

Subdivision 1. [SCHOOL LUNCH AID COMPUTATION.] (a) For the ~~1981-1982~~ 1983-1984 school year, school districts participating in the national school lunch program shall be paid by the state in the amount of ~~5-5~~ 7.5 cents for each full paid student lunch served to students in the district.

(b) For the ~~1982-1983~~ 1984-1985 school year, school districts participating in the national school lunch program shall be paid by the state in the amount of ~~5-9~~ 7.5 cents for each full paid student lunch served to students in the district.

Sec. 18. [125.70] [MINNESOTA CAMPUS LABORATORY SCHOOL.]

Subdivision 1. [PREAMBLE.] Vital to Minnesota's ability to maintain high quality education is continuing commitment to research and development in methods of instruction, school organization, management, and leadership. A unique facility to advance learning concepts needs to be maintained as a statewide resource to serve all aspects of education. It is important to serve all present teachers and state teacher education programs with new and improved methods of teaching, organizing the school for learning and leadership. Centrally located at St. Cloud, a laboratory school is a needed focus for a statewide network of educational services.

Subd. 2. [LABORATORY SCHOOL GOALS.] The goals of the Minnesota campus laboratory school are all of the following:

(a) serve as a laboratory center for educational research and develop-

mental activities;

(b) maintain a center for educational experimentation which exerts influence upon and involves itself in shaping the future of public education for children;

(c) develop prototypes or models of educational practices, including, but not limited to educational training models which:

(1) promote and evaluate computer literacy, foreign language competency, communications, math and science skills for staff and students;

(2) integrate the use of advanced technology in individualized or personalized methods of instruction, school organization, and school management; and

(3) use advanced technology to provide for cooperative and collaborative utilization of resources between schools within a community, between communities, and for delivery of life-long community-wide learning opportunities;

(d) implement research and development activities designed by university teacher education faculty and laboratory school faculty;

(e) develop, implement, and pilot test evaluation designs, methods, and instruments related to campus laboratory school research and development activities;

(f) serve as a clinical laboratory where teachers have the opportunity to observe and participate with children, teachers, and the learning process;

(g) provide participation experiences with children in subject matter areas and alternative learning environments;

(h) provide opportunities to utilize television for observation purposes and for purposes of teacher education instruction;

(i) provide exemplary practicing educational staff resources to teacher education programs and provide teacher education resources in the training of teachers in the management of technology in teaching;

(j) provide for dissemination of laboratory school programs and practices to the educational consumer;

(k) serve as educational resource consultants, conduct workshops and in-service programs, and develop publications which can be disseminated to the educational consumer; and

(l) provide for visits to the campus laboratory school with opportunities for observation and discussion of innovative practices in education.

Subd. 3. [GOVERNANCE.] *The state university at St. Cloud shall administer and supervise the Minnesota campus laboratory school.*

Subd. 4. [ADVISORY COMMITTEES.] *Two permanent advisory committees shall be established for the Minnesota campus laboratory school.*

(a) The clinical laboratory advisory committee shall consist of eight members. The members shall be appointed as follows: one member shall be appointed by the commissioner of education; one member shall be appointed by

the board of teaching; one member shall be appointed by the regents of the University of Minnesota; one member shall be appointed by the state university board; one member shall be appointed by the private college council; and one faculty member shall be appointed from the University of Minnesota, state university system, and the private college system. The duties of the committee include reviewing and advising the director of the laboratory school on the clinical services offered by the school, reviewing the budget of the school, and approving an annual report on clinical services which shall be submitted to the commissioner of education.

A vacancy on the committee shall be filled in the same manner as an original appointment. The representative of the commissioner of education shall serve as chairperson and other officers shall be elected by the committee as it determines advisable. The representative of the commissioner of education and the board of teaching shall also serve on the committee for dissemination/education information.

(b) The education extension information advisory committee for the Minnesota campus laboratory school shall consist of six members. The members shall be appointed as follows: one member shall be appointed by the commissioner of education; one member shall be appointed by the board of teaching; one member shall be appointed by the Minnesota school boards association; one member shall be appointed by the Minnesota education association; one member shall be appointed by the Minnesota federation of teachers; one member shall be a private school teacher appointed by the nonpublic schools. Duties of the committee include reviewing and advising the director of the laboratory school on the dissemination services offered by the school, reviewing the budget of the laboratory school, and approving an annual report on the dissemination of educational information services which shall be submitted to the commissioner of education.

A vacancy on the committee shall be filled in the same manner as an original appointment. The representative of the commissioner of education shall serve as chairperson and other officers shall be elected by the committee as it determines advisable. The representative of the commissioner of education and the board of teaching shall also serve on the committee for the clinical laboratory.

Subd. 5. [COMMITTEE MEETINGS AND COMPENSATION.] *The department of education in consultation with the Minnesota campus laboratory school director shall establish meeting dates and times for the two advisory committees. Each committee shall meet a minimum of three times and not more than five times during a biennium. Committee members shall be reimbursed for all expenses actually and necessarily incurred in the performance of their committee duties. Reimbursement for expenses incurred shall be made pursuant to the rules governing state employees.*

Subd. 6. [REGULAR LABORATORY SCHOOL AID.] *Consistent with the provisions of section 124.185, all aid provided by law shall be paid to each district of residence as though the pupils enrolled at the laboratory school at St. Cloud were in attendance in the district of residence.*

Subd. 7. [SPECIAL LABORATORY SCHOOL AID.] *In addition to the aid provided in subdivision 6, the laboratory school located at St. Cloud shall receive the amounts appropriated in this act for the 1983-1984 and*

1984-1985 school years. For the 1985-1986 school year, the laboratory school shall receive 90 percent of the amount appropriated for the 1984-1985 school year. For the 1986-1987 school year, the laboratory school shall receive 80 percent of the amount appropriated for the 1984-1985 school year. For the 1987-1988 school year, the laboratory school shall receive 75 percent of the amount appropriated for the 1984-1985 school year.

Sec. 19. [126.025] [CARDIOPULMONARY RESUSCITATION INSTRUCTION.]

Subdivision 1. [AUTHORIZATION.] Pupils attending public senior high schools may receive a course of instruction in the techniques of cardiopulmonary resuscitation, sufficient to enable the pupils to give emergency assistance to victims of cardiac arrest. The instruction may be offered as a separate course or as part of another course. The instruction shall be given by a person certified as a cardiopulmonary resuscitation instructor by either the American Red Cross or the American Heart Association, but that person need not be a licensed teacher. Districts are encouraged to use equipment, teaching materials, and training courses provided by public or private agencies, educational cooperative service units, or organizations such as the American Red Cross, American Heart Association.

Subd. 2. [ASSISTANCE.] The department of education shall provide technical assistance to educational cooperative service units and school districts to implement the provisions of subdivision 1.

Sec. 20. [129B.15] [CITATION.]

Sections 20 to 26 may be cited as the "Minnesota Comprehensive Arts In Education Planning Act".

Sec. 21. [129B.16] [PURPOSE.]

The legislature finds that students should have the opportunity to learn about all arts disciplines under the guidance of a trained teacher in a comprehensive arts education program. In order to encourage comprehensive arts education programs in elementary and secondary schools, it is the purpose of sections 20 to 26 to provide for the establishment of the Comprehensive Arts In Education Planning Act.

Sec. 22. [129B.17] [AUTHORIZATION.]

The department of education shall prescribe the form and manner of application for the grant recipients. The state board of education shall award comprehensive arts in education planning grants in consultation with the Minnesota alliance for arts in education and the Minnesota state arts board.

Sec. 23. [129B.18] [PROGRAM ACCOUNTS.]

A district receiving a comprehensive arts in education planning grant shall establish and maintain a separate account for the receipt and disbursement of all funds relating to the program, and the funds shall be spent only for the purpose of arts education programs.

Sec. 24. [129B.19] [ADDITIONAL FUNDING.]

A district receiving a comprehensive arts in education planning grant may receive funds for the program from private sources and from other govern-

mental agencies, including any state or federal funds available for arts education.

Sec. 25. [129B.20] [CRITERIA FOR GRANT APPROVAL.]

Up to 30 grants of \$1,000 each may be approved under this section for programs which include:

(1) a needs assessment of arts education and planning in the school district;

(2) creation of a community based arts education team of eight individuals from the school district and the community whose function will be to promote comprehensive arts education in the school district;

(3) participation by members of the arts education team in training offered by the department of education; and

(4) establishment of an evaluation component.

Sec. 26. [129B.21] [DEPARTMENT RESPONSIBILITY.]

The department of education shall:

(1) provide training and assistance to the arts education teams in the school districts;

(2) provide consultation and technical assistance to districts which receive arts in education planning grants; and

(3) submit a report to the education committees of the senate and house of representatives by January 1, 1985. The report shall include the status and implementation of Minnesota comprehensive arts in education planning grants and the department's plans to promote arts education in the schools.

Sec. 27. Minnesota Statutes 1982, section 275.125, is amended by adding a subdivision to read:

Subd. 8a. [INTERDISTRICT COOPERATION LEVY.] Each year, a district which is eligible for aid according to section 16, subdivision 2, may levy the amount of the estimated instructional costs of the interdistrict cooperation plan for the year to which the levy is attributable, but not more than \$50 times the actual pupil units for that school year. No levy under this subdivision shall exceed one mill times the adjusted assessed evaluation of the district for the preceding year. The proceeds of the levy may only be used to pay for instructional costs incurred in providing the cooperative staffing or course offerings.

Sec. 28. Minnesota Statutes 1982, section 275.125, is amended by adding a subdivision to read:

Subd. 9b. [OPERATING DEBT LEVY.] (1) In 1983 and each year thereafter, a district may make an additional levy to eliminate a deficit in the net unappropriated operating funds of the district, determined as of June 30, 1983, and certified and adjusted by the commissioner. This levy may in each year be 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. However, the total amount of this levy for all years it is made shall not exceed the lesser of (a)

the amount of the deficit in the net unappropriated operating funds of the district as of June 30, 1983, or (b) the amount of the aids reduced, according to Laws 1981, Third Special Session chapter 2, article 2 and Laws 1982, Third Special Session chapter 1, article 3, sections 6 and 7, to the district in fiscal year 1983. When the cumulative levies made pursuant to this subdivision equal the total amount permitted by this subdivision, the levy shall be discontinued.

(2) 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 levies pursuant to this subdivision shall certify the maximum levy allowable under subdivision 2a or 2e in that same year.

Sec. 29. Minnesota Statutes 1982, section 275.125, subdivision 11a, is amended to read:

Subd. 11a. [CAPITAL EXPENDITURE LEVY.] (a) Each year 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. 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.

(b) The proceeds of the tax may be used to acquire land, to equip and re-equip buildings and permanent attached fixtures, to rent or lease buildings for school purposes, 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 116J.24, 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, such as 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 to reduce or eliminate barriers to or increase 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. The proceeds of the tax may also be used to pay fees for capital outlay expenditures assessed and certified to each participating school district by the educational cooperative service unit board of directors.

(c) Subject to the commissioner's approval, the tax proceeds may also be used 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 acquisition or construction of buildings. The approval criteria for purposes of building acquisition and construction shall include: the appropriateness of the proposal for the district's long term

needs; the availability of adequate existing facilities; and the economic feasibility of bonding because of the proposed building's size or cost.

(d) The board shall establish a fund in which the proceeds of this tax shall be accumulated until expended.

(c) 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 ~~subdivision~~ subdivisions 11b and 11c, 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. 30. Minnesota Statutes 1982, section 275.125, subdivision 11b, is amended to read:

Subd. 11b. [SPECIAL PURPOSE CAPITAL EXPENDITURE LEVY.] ~~In 1981 and each year thereafter,~~ In addition to the levy authorized in subdivision 11a, *each year* 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;

(d) for expenditures for the removal of asbestos from school buildings or property or for asbestos encapsulation;

(e) for expenditures for the cleanup and disposal of polychlorinated biphenyls.

Sec. 31. Minnesota Statutes 1982, section 275.125, is amended by adding a subdivision to read:

Subd. 11c. [HAZARDOUS SUBSTANCE CAPITAL EXPENDITURE LEVY.] *In 1983 and each year thereafter, in addition to the levy authorized in subdivision 11a and 11b, a school district may levy an amount not to exceed the amount equal to \$25 per pupil unit. No levy under this subdivision*

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 expenditures necessary for the removal or encapsulation of asbestos or the cleanup and disposal of polychlorinated biphenyls found in school buildings or property.

Sec. 32. [STANDARDS FOR ASBESTOS REMOVAL AND POLYCHLORINATED BIPHENYLS CLEANUP.]

Until the pollution control agency promulgates permanent rules establishing standards, school districts may determine standards for removal or encapsulation of asbestos or cleanup or disposal of polychlorinated biphenyls found in school buildings or on school property with the advice of the department of education.

Sec. 33. [CONTRACTS FOR ASBESTOS AND POLYCHLORINATED BIPHENYLS.]

Notwithstanding any law to the contrary, if a district entered into a contract after June 30, 1980 for any of the following purposes, the district may use the proceeds of the levy authorized according to sections 30 or 31, to meet those contractual obligations or to reimburse the fund from which contractual payments were made, as applicable, regardless of when the proceeds of the levies are received by the district: removal of asbestos, asbestos encapsulation, cleanup or disposal of polychlorinated biphenyls.

Sec. 34. [REPORTS TO LEGISLATURE.]

Subdivision 1. [LABORATORY SCHOOL.] The laboratory school at St. Cloud State University shall report to the education committees of the legislature by January 15, 1985 concerning the progress of the school and its programs.

Subd. 2. [EDUCATION DISTRICTS.] The department of education shall submit a report by March 1, 1985 to the legislature evaluating the education districts program.

Sec. 35. [REPEALER.]

Minnesota Statutes 1982, sections 124.24 and 129B.09, subdivision 5, are repealed.

Sec. 36. [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. [TEACHER INSTITUTES.] The sum of \$100,000 is appropriated from the general fund to the state board of education to provide teacher institutes. The sum is available until June 30, 1985.

Subd. 3. [HEALTH AND DEVELOPMENTAL SCREENING PROGRAMS.] For health and developmental screening programs pursuant to sections 123.701 to 123.705 there is appropriated:

\$736,000.....1984,

\$890,000.....1985.

The appropriation for fiscal year 1984 includes \$103,000 for aid for fiscal year 1983 payable in fiscal year 1984 and \$633,000 for aid for fiscal year 1984 payable in fiscal year 1984.

The appropriation for fiscal year 1985 includes \$111,000 for aid for fiscal year 1984 payable in fiscal year 1985 and \$779,000 for aid for fiscal year 1985 payable in fiscal year 1985.

The appropriations are based on 100 percent aid entitlements of \$744,000 for fiscal year 1984 and \$819,000 for fiscal year 1985.

Subd. 4. [MINI-GRANTS FOR PRE-SCHOOL SCREENING STUDY.] For mini-grants to study screening of children three years of age and younger there is appropriated:

\$32,000.....1984,

\$44,000.....1985.

The appropriation for fiscal year 1984 includes aid for fiscal year 1984 payable in fiscal year 1984. The appropriation for fiscal year 1985 includes \$6,000 for fiscal year 1984 payable in fiscal year 1985 and \$38,000 for fiscal year 1985 payable in fiscal year 1985. The appropriations are based on 100 percent aid entitlements of \$38,000 for fiscal year 1984 and \$40,000 for fiscal year 1985. The appropriation is for the purpose of funding mini-grants approved by the department of education to study the feasibility of screening children three years of age and younger. The department of education shall establish procedures for school districts to apply for these grants and the results shall be reported to the legislature by February 15, 1984. Notwithstanding the provisions of section 123.702, children who participate in these experimental screening services shall remain eligible for subsequent screening services offered by the school district under section 123.702, subdivision 1.

Subd. 5. [ABATEMENT AID.] For abatement aid pursuant to section 124.214, subdivision 2, there is appropriated:

\$2,150,000.....1984,

\$2,250,000.....1985.

Subd. 6. [CAPITAL EXPENDITURE EQUALIZATION AID.] For capital expenditure equalization aid pursuant to section 124.245, subdivision 1, there is appropriated:

\$313,000.....1984,

\$245,000.....1985.

The appropriation for fiscal year 1984 includes \$58,000 for aid for fiscal year 1983 payable in fiscal year 1984 and \$255,000 for aid for fiscal year 1984 payable in fiscal year 1984.

The appropriation for fiscal year 1985 includes \$45,000 for aid for fiscal year 1984 payable in fiscal year 1985 and \$200,000 for aid for fiscal year 1985 payable in fiscal year 1985.

The appropriations are based on 100 percent aid entitlements of \$300,000 for fiscal year 1984 and \$211,000 for fiscal year 1985.

Any unexpended balance remaining from the appropriation in this subdivision for either year may be expended for special purpose capital expenditure equalization aid pursuant to section 124.245, subdivision 1a.

Subd. 7. [SPECIAL PURPOSE CAPITAL EXPENDITURE EQUALIZATION AID.] For special purpose capital expenditure equalization aid pursuant to section 124.245, subdivision 1a, there is appropriated:

\$52,000.....1984,

\$51,000.....1985.

The appropriation for fiscal year 1984 includes \$9,000 for aid for fiscal year 1983 payable in fiscal year 1984 and \$43,000 for aid for fiscal year 1984 payable in fiscal year 1984.

The appropriation for fiscal year 1985 includes \$8,000 for aid for fiscal year 1984 payable in fiscal year 1985 and \$43,000 for aid for fiscal year 1984 payable in fiscal year 1985.

The appropriations are based on 100 percent aid entitlements of \$51,000 for fiscal year 1984 and \$45,000 for fiscal year 1985.

Any unexpended balance remaining from the appropriation in this subdivision in either year may be expended for capital expenditure equalization aid pursuant to section 124.245, subdivision 1.

Subd. 8. [HAZARDOUS SUBSTANCE CAPITAL EXPENDITURE EQUALIZATION AID.] For hazardous substance capital expenditure equalization aid pursuant to section 124.245, subdivision 1c, there is appropriated:

\$43,000.....1985.

The appropriation for fiscal year 1985 includes \$43,000 for aid for fiscal year 1984 payable in fiscal year 1985.

The appropriations are based on 100 percent aid entitlements of \$45,000 for fiscal year 1985.

Any unexpended balance remaining from the appropriation in this subdivision in either year may be expended for capital expenditure equalization aid pursuant to section 124.245, subdivision 1.

Subd. 9. [EDUCATIONAL COOPERATIVE SERVICE UNITS.] For educational cooperative service units, there is appropriated:

\$695,000.....1984,

\$660,000.....1985.

The appropriations are based on 100 percent aid entitlements of \$695,000 for fiscal year 1984 and \$695,000 for fiscal year 1985.

Funds from this appropriation shall be transmitted to ECSU boards of directors for general operations in the amount of \$63,180 per ECSU for each fiscal year; however, 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 \$126,360 for each fiscal year for general operations.

Subd. 10. [SCHOOL LUNCH AND FOOD STORAGE AID.] For school lunch aid pursuant to section 124.646 and for food storage and transportation costs for U.S.D.A. donated commodities there is appropriated:

\$4,625,000.....1984,

\$4,625,000.....1985.

Any unexpended balance remaining from the appropriations in this sub-division shall be prorated among participating schools based on the number of fully paid lunches served during that school year in order to meet the state revenue matching requirement of the U.S.D.A. National School Lunch Program.

If the appropriation amount attributable to either year is insufficient, the rate of payment for each full paid student lunch shall be reduced and the aid for that year shall be prorated among participating schools so as not to exceed the total authorized appropriation for that year.

Subd. 11. [INTERDISTRICT COOPERATION AID.] For aid for inter-district cooperation programs pursuant to section 16 there is appropriated:

\$950,000.....1985.

The appropriation is based on 100 percent aid entitlement of \$1,000,000 for fiscal year 1985.

Subd. 12. [GIFTED AND TALENTED STUDENTS.] For programs for the gifted and talented pursuant to section 124.247 there is appropriated:

\$630,000.....1984,

\$738,000.....1985.

The appropriation for aid for fiscal year 1984 includes \$80,000 for aid for fiscal year 1983 payable in fiscal year 1984 and \$550,000 for aid for fiscal year 1984 payable in fiscal year 1984.

The appropriation for fiscal year 1985 includes \$97,000 for aid for fiscal year 1984 payable in fiscal year 1985 and \$641,000 for aid for fiscal year 1984 payable in fiscal year 1985.

The appropriations are based on 100 percent aid entitlements of \$647,000 for fiscal year 1984 and \$675,000 for fiscal year 1985.

Subd. 13. [NONPUBLIC AIDS.] For programs for nonpublic educational aid pursuant to sections 123.931 to 123.947 there is appropriated:

\$6,071,000.....1984,

\$7,447,000.....1985.

The appropriation for aid for fiscal year 1984 includes \$629,000 for aid for fiscal year 1983 payable in fiscal year 1984 and \$5,442,000 for aid for fiscal year 1984 payable in fiscal year 1984.

The appropriation for fiscal year 1985 includes \$961,000 for aid for fiscal year 1984 payable in fiscal year 1985 and \$6,486,000 for aid for fiscal year 1985 payable in fiscal year 1985.

The appropriations are based on 100 percent aid entitlements of

\$6,403,000 for fiscal year 1984 and \$6,827,000 for fiscal year 1985.

Subd. 14. [APPROPRIATION; INDIAN EDUCATION.] (a) For certain Indian education programs there is appropriated:

\$158,000.....1984,

\$158,000.....1985.

The appropriations are based on 100 percent aid entitlements of \$158,000 for fiscal year 1984 and \$166,000 for fiscal year 1985.

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 may be distributed to the following school districts for fiscal year 1984: \$49,600 to Independent School District No. 309-Pine Point School; \$8,750 to Independent School District No. 166; \$13,500 to Independent School District No. 432; \$12,700 to Independent School District No. 435; \$38,100 to Independent School District No. 707; and \$35,350 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.

Up to the following amounts may be distributed to the following school districts for fiscal year 1985: \$52,100 to Independent School District No. 309-Pine Point School; \$9,200 to Independent School District No. 166; \$14,200 to Independent School District No. 432; \$13,350 to Independent School District No. 435; \$40,050 to Independent School District No. 707; and \$37,100 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 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 subdivision and one budget which does not include these moneys. The budget of that school district for the 1985-86 school year prepared according to section 121.908, subdivision 3a, shall be submitted to the commissioner of education at the same time as 1984-1985 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. 15. [CHEMICAL USE PROGRAMS.] *For aid for chemical dependency programs authorized pursuant to section 124.246 there is appropriated:*

\$ 973,000.....1984,

\$1,127,000.....1985.

The appropriation for fiscal year 1984 includes \$135,000 for aid for fiscal year 1983 payable in fiscal year 1984 and \$838,000 for aid for fiscal year 1984 payable in fiscal year 1984.

The appropriation for fiscal year 1985 includes \$148,000 for aid for fiscal year 1984 payable in fiscal year 1985 and \$979,000 for aid for fiscal year 1984 payable in fiscal year 1985.

The appropriations are based on 100 percent aid entitlements of \$986,000 for fiscal year 1984 and \$1,031,000 for fiscal year 1985.

Subd. 16. [EARLY CHILDHOOD AND FAMILY EDUCATION.] *For early childhood and family education programs pursuant to sections 129B.06 to 129B.09 there is appropriated:*

\$1,776,000.....1984,

\$2,137,000.....1985.

The appropriation for fiscal year 1984 includes \$209,000 for aid for fiscal year 1983 payable in fiscal year 1984 and \$1,567,000 for aid for fiscal year 1984 payable in fiscal year 1984.

The appropriation for fiscal year 1985 includes \$277,000 for aid for fiscal year 1984 payable in fiscal year 1985 and \$1,860,000 for aid for fiscal year 1985 payable in fiscal year 1985.

The appropriations are based on 100 percent aid entitlements of \$1,844,000 for fiscal year 1984 and \$1,958,000 for fiscal year 1985.

Subd. 17. [ARTS PLANNING GRANTS.]

For Minnesota comprehensive arts in education planning grants, there is appropriated from the general fund to the department of education the sums indicated for the fiscal years ending June 30 in the years designated:

\$125,000.....1984,

\$119,000.....1985.

The appropriations are based on 100 percent aid entitlements of \$125,000

for fiscal year 1984 and \$125,000 for fiscal year 1985.

This appropriation includes funds for the employment of one staff by the commissioner to administer the program in section 18.

The department of education's approved complement is increased by 1.0 with this appropriation.

Subd. 18. [CARDIOPULMONARY RESUSCITATION INSTRUCTION.] There is appropriated from the general fund to the department of education the sum of \$35,000 for fiscal year 1984 for educational cooperative service units to purchase equipment needed for instruction in cardiopulmonary resuscitation. The equipment shall be available for use by school districts. Funds from this appropriation shall be transmitted to ECSU boards of directors. The department of education shall issue grants to ECSU's based on the following criteria: the number of school districts in the ECSU, the number of students served by the ECSU, and other resources available to the ECSU. The sums appropriated are available until expended.

Subd. 19. [CAMPUS LABORATORY SCHOOL.] The following sums are appropriated from the general fund to St. Cloud State University for the laboratory school at St. Cloud for the fiscal years ending June 30 in the years indicated:

\$670,600 1984,

\$718,800 1985.

Subd. 20. [EDUCATION DISTRICTS.] There is appropriated from the general fund to the department of education the sum of \$3,000,000 for purposes of the program established under section 13. The state board of education shall approve agreements according to section 15, subdivision 6, within the limits of the appropriation. Approved agreements shall receive full funding. The sum shall be available until June 30, 1985.

Subd. 21. [CANCELLATION AND PRORATION.] Except as provided in subdivisions 5 and 6, any unexpended balance remaining from the appropriations in this section for 1984 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.

Sec. 37. [EFFECTIVE DATE.]

Sections 8 and 9 of this article are effective the day following final enactment.

ARTICLE 7

MISCELLANEOUS

Section 1. [LEGISLATIVE COMMISSION ON PUBLIC EDUCATION.]

Subdivision 1. [CREATION.] A commission to study and evaluate education planning, policy development, and finance in Minnesota is hereby

created.

Subd. 2. [POWERS.] The name of the commission is the legislative commission on education. The commission shall make a study and evaluate elementary and secondary education in Minnesota. The powers and duties of the commission include, but are not limited to, the following:

(a) the evaluation of education policy development and planning in Minnesota and recommendations for change to make education more effective;

(b) the study of current and alternative financing formulas for education in Minnesota and recommendations for changes in the use of public money to fund education in Minnesota;

(c) the evaluation of current school district organization and administration in Minnesota and recommendations to make more efficient use of available resources;

(d) the evaluation of current technology and alternative education delivery systems for Minnesota;

(e) the study of teacher preparation, certification, salaries, employment policies, and retention; and

(f) to make recommendations to the governor and education, tax and finance committees of the legislature for statutory changes relating to education in Minnesota.

Subd. 3. [MEMBERSHIP.] The commission shall consist of 15 members. Five members shall represent the state senate and shall be appointed by the subcommittee on committees of the committee on rules and administration, and five members shall represent the house of representatives and shall be appointed by the speaker. The remaining five members shall be appointed by the governor. Vacancies on the commission shall be filled in the same manner as regular appointments to the commission.

Subd. 4. [OFFICE, MEETINGS, OFFICERS.] The commission shall maintain an office in space which the commissioner of administration shall provide. The commission shall hold meetings at such times and places as it may designate. It shall select a chairman, a vice chairman, and such other officers from its membership as it may deem necessary.

Subd. 5. [STAFF.] The commission may employ such professional, clerical, and technical assistants as it deems necessary in order to perform the duties herein prescribed. The commission may also utilize legislative staff from senate counsel, senate research, house research, and the legislative reference library.

Subd. 6. [ASSISTANCE OF OTHER AGENCIES.] The commission may request information from any state officer or agency in order to assist in carrying out the terms of this section and such officer or agency is authorized and directed to promptly furnish any data requested.

Subd. 7. [LEGISLATIVE BILLS FURNISHED.] The secretary of the senate and the chief clerk of the house shall provide the commission with a copy of each bill introduced in the legislature concerning education and education finance.

Subd. 8. [EXPENSES, REIMBURSEMENT.] The members of the com-

mission and its assistants shall be reimbursed for all expenses actually and necessarily incurred in the performance of their duties hereunder. Reimbursement for expenses incurred shall be made pursuant to the rules governing state employees.

Subd. 9. [EXPENSES AND REPORTS.] Expenses of the commission shall be approved by the chairman or such other member as the rules of the commission may provide and the expenses shall then be paid in the same manner as other state expenses are paid. A general summary or statement of expenses incurred by the commission and paid shall be made to the legislature by November 15 of each even-numbered year.

Subd. 10. [REPORT.] The commission shall prepare and distribute a report to the legislature by January 1, 1985, summarizing the findings of the commission and any recommendations for statutory change. The legislative commission on education shall terminate June 30, 1985.

Sec. 2. Minnesota Statutes 1982, section 6.54, is amended to read:

6.54 [EXAMINATION OF MUNICIPAL RECORDS PURSUANT TO PETITION.]

The registered voters in a home rule charter or statutory city or town may petition the state auditor to examine the books, records, accounts, and affairs of the home rule charter or statutory city, town, or of any organizational unit, activity, project, enterprise, or fund thereof; and the scope of the examination may be limited by the petition, but the examination shall cover, at least, all cash received and disbursed and the transactions relating thereto, provided that the state auditor shall not examine more than the six latest years preceding the circulation of the petition, unless it appears to the state auditor during his examination that the audit period should be extended to permit a full recovery under bonds furnished by public officers or employees, and may if it appears to him in the public interest confine the period or the scope of audit or both period and scope of audit, to less than that requested by the petition. In the case of a home rule charter or statutory city or town, the petition shall be signed by a number of registered voters at least equal to 20 percent of those voting in the last presidential election. The ~~freeholders~~ *eligible voters* of any school district, as defined in section 123.32, subdivision 1a, may petition the state auditor and he shall be subject to the same restrictions regarding the scope and period of audit, provided that the petition shall be signed by at least ten ~~freeholders~~ *eligible voters* for each 50 resident pupils in average daily membership during the preceding school year as shown on the records in the office of the commissioner of education. In no case shall the petition for an examination of a town bear the names of less than 25 registered voters; and provided, that in the case of school districts, the petition shall be signed by at least ten ~~freeholders~~ *eligible voters*. At the time it is circulated, every petition shall contain a statement that the cost of the audit will be borne by the city, town, or school district as provided by law. Thirty days before the petition is delivered to the state auditor it shall be presented to the appropriate city, town or school district clerk and the county auditor. The county auditor shall determine and certify whether the petition is signed by the required number of registered voters or ~~freeholders~~ *eligible voters* as the case may be. The certificate shall be conclusive evidence thereof in any action or proceeding for the recovery

of the costs, charges and expenses of any examination made pursuant to the petition.

Sec. 3. Minnesota Statutes 1982, section 6.62, subdivision 1, is amended to read:

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

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

Sec. 4. Minnesota Statutes 1982, section 121.15, is amended to read:

121.15 [PLANS AND SPECIFICATIONS FOR SCHOOL BUILDINGS REVIEW AND COMMENT FOR SCHOOL DISTRICT CONSTRUCTION.]

~~The state board shall prescribe rules for school sites and for the mechanical equipment, erection, enlargement, and change of school buildings. All plans and specifications for the erection, enlargement, and change of school buildings shall first be submitted to the state department of education for approval before the contract is let and no new school buildings shall be erected or any building enlarged or changed until the plans and specifications have been submitted to, and approved by, the state department. The state board shall include in such rules those made, from time to time, by the state commissioner of health relative to sanitary standards for toilets, water supply, and disposal of sewage in public school buildings. In all other respects the authority to make rules for public school buildings shall be vested in the state board, which shall have the power to prepare and furnish to local school boards plans and specifications for temporary school buildings, containing two classrooms or less. The state board in approving construction plans may specifically qualify its approval as limited solely to physical plant, plans and specifications and it may specifically reserve its approval as to the advisability of construction from an educational program standpoint. Under such rules and procedure as the state board shall prescribe, the state department may condemn school buildings and sites which are unfit or unsafe for use as such.~~

Subdivision 1. A school district shall consult with the department of education before developing any plans and specifications to construct, remodel, or improve the site of an educational facility. This consultation shall occur before a referendum for bonds, solicitation for bids, or use of capital funds according to section 275.125, subdivision 11b, is initiated.

Subd. 2. The department of education, after the consultation required in subdivision 1, may require a school district engaging in a construction, remodeling, or site improvement project to submit for approval:

(a) two sets of preliminary plans for each new building or addition, and

(b) one set of final plans for each construction, remodeling, or site im-

provement project. The department of education shall approve or disapprove the plans within 60 days after submission. A school district shall not award contracts before the department approves the plans.

Final plans shall meet all applicable state laws, rules, and codes concerning public buildings, including sections 16.83 to 16.87. The department of education's approval shall be limited to compliance with applicable state laws, rules, and codes and shall reasonably conform to the recommended educational standards established by the department of education. The department may furnish to a school district plans and specifications for temporary school buildings containing two classrooms or less.

Subd. 3. If no construction contract has been awarded within one year of approval, the approval shall no longer be valid. After approval, final plans and the approval shall be filed with the department of education. If substantial changes are made to plans after final approval, documents reflecting the changes shall be submitted to the department of education for approval. Upon completing a project, the school board shall certify to the department that the project was completed according to the approved plans.

Subd. 4. The department of education may condemn school buildings and sites which the state board of education determines are unfit or unsafe for that use.

Subd. 5. The state board of education may adopt rules for public school buildings.

Subd. 6. No referendum for bonds or solicitation of bids for new construction, expansion, or remodeling of an educational facility which requires a capital expenditure in excess of \$400,000 per school site shall be initiated prior to review and comment by the commissioner. A school board shall not separate portions of a single project into components to avoid the requirements of this subdivision.

Subd. 7. A school board proposing to construct a facility described in subdivision 6 shall submit to the commissioner a proposal containing information including at least the following:

(a) the geographic area proposed to be served, whether within or outside the boundaries of the school district;

(b) the population proposed to be served, including census findings and projections of the number of preschool and school-aged people in the area;

(c) the reasonably anticipated need for the facility or service to be provided;

(d) a description of the construction in reasonable detail, including: the capital expenditures contemplated; the estimated annual operating cost, including the anticipated salary and number of new staff necessitated by the proposal; and an evaluation of the energy efficiency and effectiveness of the construction, including estimated annual energy costs;

(e) so far as is known, existing facilities within the area to be served that offer the same or similar service; the extent existing facilities or services are used; the extent to which space is available from other sources, including institutions for higher education or other public buildings; and the anti-

pated effect that the proposal will have on existing facilities and services;

(f) the anticipated benefit to the area that will result from the facility;

(g) if known, the relationship of the proposed construction to any priorities which have been established for the area to be served;

(h) the availability and manner of financing the facility and the estimated date to begin and complete the facility; and

(i) desegregation requirements that cannot be met by any other reasonable means.

Subd. 8. In reviewing each proposal, the commissioner shall submit to the school board, within 60 days of receiving the proposal, the review and comment about the educational and economic advisability of the project. The review and comment shall be based on information submitted with the proposal and other information the commissioner determines is necessary.

Subd. 9. At least 20 days but not more than 60 days before a referendum for bonds or solicitation of bids to construct a facility, the school board shall publish the commissioner's review and comment in a legal newspaper of general circulation in the area. Supplementary information shall be available to the public.

Subd. 10. Before January 15 of each year, the commissioner shall report to the legislature about the number and nature of proposals for projects submitted according to this section, the nature of the review and comment on the educational and economic advisability, and any recommendations.

Sec. 5. Minnesota Statutes 1982, section 121.908, is amended to read:

121.908 [REQUIREMENT FOR ACCOUNTING, BUDGETING AND REPORTING.]

Subdivision 1. On or before June 30, 1977, each Minnesota school district shall adopt the uniform financial accounting and reporting standards for Minnesota school districts provided for in section 121.902.

Subd. 2. Each Minnesota school district shall submit to the commissioner by ~~August 15, 1977~~ and August 15 of each year ~~thereafter~~, an unaudited financial statement for the preceding fiscal year. This statement shall be submitted on forms prescribed by the commissioner after consultation with the advisory council on uniform financial accounting and reporting standards.

Subd. 3. ~~Prior to June 30~~ By December 31 of the calendar year following of the submission of the unaudited financial statement, the school district shall provide to the commissioner and state auditor an audited financial statement prepared in a form which will allow comparison with and correction of material differences in the unaudited statement.

Subd. 3a. Prior to ~~July 1, 1978~~ and July 1 of each year ~~thereafter~~, the school board of each district shall approve and adopt its revenue and expenditure budgets for the next school year. The budget document so adopted shall be considered an expenditure-authorizing or appropriations document. No funds shall be expended by any board or district for any purpose in any school year prior to the adoption of the budget document

which authorizes that expenditure, or prior to an amendment to the budget document by the board to authorize the expenditure. Expenditures of funds in violation of this subdivision shall be considered unlawful expenditures.

Subd. 4. Each ~~Minnesota school~~ district shall submit to the department by ~~August 15, 1977, and by August 15 of each year thereafter,~~ on forms prescribed by the commissioner, the revenue and expenditure budgets adopted for that fiscal year.

Subd. 5. All governmental units formed by joint powers agreements entered into by ~~school~~ districts pursuant to sections 120.17, 123.351, 471.59, or any other law and all educational cooperative service units shall be subject to the provisions of this section.

Sec. 6. Minnesota Statutes 1982, section 121.936, is amended by adding a subdivision to read:

Subd. 4a. By July 1, 1984, the department of education shall develop and operate an alternative reporting method for submission of financial data, in summary form to the department of education. This method shall accommodate the use of a microcomputer finance system to be developed and maintained by the department of education. The alternative reporting system must comply with sections 121.90 to 121.917. The provisions of this subdivision shall not be construed to require the department to purchase computer hardware nor to prohibit the department from purchasing services from any regional management information center or the Minnesota educational computing consortium.

Sec. 7. Minnesota Statutes 1982, section 123.32, is amended by adding a subdivision to read:

Subd. 29. [REQUIREMENTS FOR PETITIONS.] Any petition to a school board authorized in this section or section 275.125 or any other law which requires the board to submit an issue to referendum or election shall meet the following requirements to be valid.

(1) Each page of the petition shall contain a heading at its top which specifies the particular action the board is being petitioned to take. The signatures on any page which does not contain such a heading shall all be invalidated. All pages of the petition shall be assembled and filed with the board as a single instrument.

(2) Each page of the petition shall contain an authentication signed by the circulator of the petition specifying as follows:

I personally have circulated this petition, all signatures were made in my presence, each person signed his or her own name, and I believe each person who has signed is eligible to vote in a school district election according to Minnesota Statutes, section 123.32.

Signed: _____
Signature of Petition Circulator

Date: _____

The signatures on any page which does not contain such an authentication shall all be invalidated.

(3) Each signer of the petition shall personally sign his own name in ink or

indelible pencil and shall indicate after his name his place of residence by street and number, or other description sufficient to identify the place. Except as provided in clause (4) of this subdivision, any signature which does not meet these requirements shall be invalidated.

(4) An individual who is unable to write his name shall be required to make his mark on the petition. The circulator of the petition shall certify the mark by signing the individual's name and address and shall thereafter print the phrase "mark certified by petition circulator".

(5) A petition to be valid must contain the minimum number of valid signatures of eligible voters specified in the law authorizing the petition and election.

Sec. 8. Minnesota Statutes 1982, section 123.33, subdivision 10, is amended to read:

Subd. 10. The school board of any school district of this state by a two-thirds vote may become a member of the Minnesota school boards association or the Minnesota association of public schools, or the metropolitan area school board association, and appoint one or more of its members to attend its annual meeting. The amount of annual membership dues in the association and actual and necessary expense incurred in attending such meeting shall be paid as other expenses of the district are paid. ~~The school board of any school district of this state may maintain such membership and pay membership dues only in the event the associations file annual financial statements showing detailed expenditures and receipts with the commissioner of education no later than October 1 of each year. The statements to the commissioner shall be made on forms prescribed by him no later than July 15 of each year.~~

Sec. 9. Minnesota Statutes 1982, section 123.33, subdivision 14, is amended to read:

Subd. 14. The school board of any school district of this state by a two-thirds vote may become a member of an association of vocational schools and may appoint one or more of its members to attend the annual meeting of such association. The amount of annual membership dues in the association and actual and necessary expenses incurred in attending such meeting shall be paid as other expenses of the district are paid. ~~The school board of any school district of this state may maintain such membership and pay membership dues only in the event the association files annual financial statements showing detailed expenditures and receipts with the commissioner of education no later than October 1 of each year. The statements to the commissioner shall be made on forms prescribed by him no later than July 15 of each year.~~

Sec. 10. Minnesota Statutes 1982, section 123.34, subdivision 9, is amended to read:

Subd. 9. [SUPERINTENDENT.] All districts maintaining a classified secondary school shall employ a superintendent who shall be an ex officio a nonvoting member of the school board but not entitled to vote therein. The authority for selection and employment of a superintendent shall be vested in the school board in all cases. Notwithstanding the provisions of section sections 122.532, 122.541, 125.12, subdivision 6a or 6b, or any other law to the contrary, no individual shall have a right to employment as a superintendent based on seniority or order of employment in the any district. The

superintendent in such districts of a district shall visit the schools of the district, and exercise a general supervision over them, and report their condition to the board, with proper recommendations, when he deems it advisable, or when requested by the board. He shall make recommendations to the board concerning the employment and dismissal of teachers. He shall superintend the grading of the schools and examinations for promotions and perform such other duties as the board shall prescribe. He shall make directly to the commissioner such reports as shall be required perform the following:

(a) visit and supervise the schools in the district, report and make recommendations about their condition when advisable or on request by the board;

(b) recommend to the board employment and dismissal of teachers;

(c) superintend school grading practices and examinations for promotions;

(d) make reports required by the commissioner of education; and

(e) perform other duties prescribed by the board.

Sec. 11. Minnesota Statutes 1982, section 123.36, subdivision 9, is amended to read:

Subd. 9. The board may contract for the furnishing of heat for its building for such terms as it may deem for the best interest of the district, not exceeding ten years. *However, a district may enter into a contract for a period not to exceed 30 years for a district-wide heating system.* Where it is necessary to lay mains or pipes to connect these buildings with a heating system, the district is authorized to advance all, or any part of the cost thereof upon such terms and conditions as shall be agreed upon.

Sec. 12. Minnesota Statutes 1982, section 124.14, subdivision 1, is amended to read:

Subdivision 1. The state board shall supervise distribution of the school aids and grants in accordance with law. It may make rules and regulations consistent with law for such the distribution which will to enable districts to perform efficiently the services required by law and further education in the state, including reasonable requirements for such the reports and accounts to it as will assure accurate and lawful apportionment of aids. *State and federal aids and discretionary or entitlement grants distributed by the state board shall not be subject to the contract approval procedures of the commissioner of administration or chapter 16. The commissioner of education shall adopt internal procedures for administration and monitoring of aids and grants.*

Sec. 13. Minnesota Statutes 1982, section 124.43, subdivision 1, is amended to read:

Subdivision 1. [REVIEW BY COMMISSIONER.] (a) To the extent moneys are from time to time available hereunder, the commissioner may, after review and a favorable recommendation by the state board of education, ~~make~~ *recommend to the legislature* capital loans to school districts. Proceeds of 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.

(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 ~~422.90~~ 121.15, 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 ~~422.90~~ 121.15; 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;

(B) the facilities could not be made available through dissolution and attachment of the district to another district or through pairing, interdistrict cooperation, or consolidation with another district, or through the purchase or lease of facilities from existing institutions within the area. 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 comparable 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~~ *recommend approval of* the loan, ~~and~~. If the state board recommends that the loan be approved in a reduced amount, the commissioner shall not ~~approve~~ *recommend approval of* a loan larger than that recommended by the state board.

(c) As part of reviewing an application for a capital loan, the commissioner of education shall prepare estimated yearly repayments by the school district and the estimated amount of principal and interest that may be forgiven after the term of the loan. These estimates shall assume no growth in assessed valuation over the term of the loan, shall assume a 16 mill levy, and shall be prepared using a methodology approved by the commissioner of finance. The commissioner of education shall use a discount factor provided by the commissioner of finance in determining the present value of the estimated amount of interest and principal which may be forgiven after the term of the loan.

~~(e)~~ (d) No loan shall be ~~approved~~ *recommended for approval* 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 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 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. 14. [124.435] [APPROVAL BY LEGISLATURE.]

After review of an application for a capital loan, the commissioner of education shall submit the application to the education committees of the legislature. The legislature may approve, disapprove, or modify the application. After the legislature has approved the application, the commissioner shall grant the loan for the purposes and in the amount specified by the legislature.

Sec. 15. Minnesota Statutes 1982, section 275.125, subdivision 2d, is amended to read:

Subd. 2d. [REFERENDUM LEVY.] (1) The levy authorized by 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~~ *The* 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 two elections may be held to approve a levy increase which will commence in a specific school year. However, more than one referendum may be held to approve a levy increase to commence in the 1983-1984 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 ballot may designate a specific number of years for which the referendum authorization shall apply. The ballot may contain a textual portion with the information required in this subdivision and a question stating substantially the following:~~

"Shall the increase in the levy proposed by the board of, School District No. ..., be approved?"

If approved, the amount provided by the approved millage applied to each year's taxable valuation shall be authorized for certification for the number of years approved, if applicable, or until revoked or reduced by the voters of the district at a subsequent referendum.

(2) A referendum on the question of revoking or reducing the increased levy amount authorized pursuant to clause (1) of this 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. A levy approved by the voters of the district pursuant to clause (1) of this subdivision must be made at least once before it is subject to a referendum on its revocation or reduction for subsequent years. Only one such revocation or reduction election

may be held to revoke or reduce a levy for any specific year and for years thereafter.

(3) A petition authorized by clause (1) 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.

(4) A petition authorized by clause (2) shall be effective if signed by a number of qualified voters in excess of five percent of the residents of the school district as determined by the most recent census. A revocation or reduction referendum invoked by petition shall be held within three months of submission of the petition to the school board.

(5) 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.

(6) 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. 16. Minnesota Statutes 1982, section 475.61, subdivision 3, is amended to read:

Subd. 3. [IRREVOCABILITY.] Tax levies so made and filed shall be irrevocable, except as provided in this subdivision.

In each year when there is on hand any excess amount in the debt service fund of a school district at the time the district makes its property tax levies, the amount of the excess shall be certified by the school board to the county auditor and the auditor shall reduce the tax levy otherwise to be included in the rolls next prepared by the amount certified, unless the school board determines that the excess amount is necessary to ensure the prompt and full payment of the obligations and any call premium on the obligations, or will be used for redemption of the obligations in accordance with their terms. An amount shall be presumed to be excess for a school district in the amount that it, together with the levy required by subdivision 1, will exceed 106 percent ~~in excess~~ of the amount needed to meet when due the principal and interest payments on the obligations due before the second following July 1. This subdivision shall not limit a school board's authority to specify a tax levy in a higher amount if necessary because of anticipated tax delinquency.

If the governing body, including the governing body of a school district, in any year makes an irrevocable appropriation to the debt service fund of moneys actually on hand or if there is on hand any excess amount in the debt service fund, the recording officer may certify to the county auditor the fact and amount thereof and the auditor shall reduce by the amount so certified the amount otherwise to be included in the rolls next thereafter prepared.

Sec. 17. Laws 1967, chapter 822, is amended by adding a section to read:

Sec. 12. [OTHER PROGRAMS AND SERVICES.]

The board may also provide any other educational programs or other services requested by a participating district. However, these programs and

services may not be post-secondary programs or services. Academic offerings shall be provided only under the direction of properly licensed academic supervisory personnel.

Sec. 18. Laws 1969, chapter 775, section 3, subdivision 2, as amended by Laws 1971, chapter 267, section 2, is amended to read:

Subd. 2. It shall be the duty and the function of the intermediate district to furnish to every person eligible therefor residing in any part of such district and such other resident of the state as provided by law the following:

(a) Vocational school facilities and instruction in vocational-technical education;

(b) Facilities for and instruction in special education.

The board may also provide any other educational programs or other services requested by a participating district. However, these programs and services may not be post-secondary programs or services. Academic offerings shall be provided only under the direction of properly licensed academic supervisory personnel.

Sec. 19. Laws 1969, chapter 775, section 3, is amended by adding a subdivision to read:

Subd. 1a. [LEASE PURCHASE AGREEMENTS.] In addition to any powers granted pursuant to section 465.71, the board may lease real property with an option to purchase under a lease purchase agreement. Notwithstanding any law to the contrary, no election shall be required in connection with the execution of a lease purchase agreement authorized by this subdivision. The provisions of this subdivision shall apply only to lease purchase agreements between the school board of Intermediate School District No. 916 and the school boards of districts which are members of Intermediate School District No. 916.

Sec. 20. Laws 1969, chapter 1060, is amended by adding a section to read:

Sec. 6. [LEASE PURCHASE AGREEMENTS.]

In addition to any powers granted pursuant to section 465.71, the board may lease real property with an option to purchase under a lease purchase agreement. Notwithstanding any law to the contrary, no election shall be required in connection with the execution of a lease purchase agreement authorized by this subdivision. The provisions of this subdivision shall apply only to lease purchase agreements between the school board of Intermediate School District No. 917 and the school boards of districts which are members of Intermediate School District No. 917.

Sec. 21. Laws 1969, chapter 1060, is amended by adding a section to read:

Sec. 7. [OTHER PROGRAMS AND SERVICES.]

The board may also provide any other educational programs or other services requested by a participating district. However, these programs and services may not be post-secondary programs or services. Academic offerings shall be provided only under the direction of properly licensed academic

supervisory personnel.

Sec. 22. Laws 1981, chapter 358, article 7, section 29, as amended by Laws 1981, Third Special Session chapter 1, article 1, section 10, and by Laws 1982, chapter 548, article 4, section 19, is amended to read:

Sec. 29. [EXEMPTION FROM PUBLIC SALE.] Notwithstanding Minnesota Statutes, section 124.76, from ~~June 1, 1981~~ July 1, 1983 until June 30, ~~1983~~ 1985, the requirements as to public sale of tax and aid anticipation certificates of indebtedness shall not apply to certificates which mature no later than twelve months after their date of issue. The interest rate on these certificates may be determined by direct negotiation.

Sec. 23. Laws 1982, chapter 548, article IV, section 21, is amended to read:

Sec. 21. [TRANSFER FROM CAPITAL EXPENDITURE FUND.]

Notwithstanding the provisions of section 275.125, subdivision 11a or 11b, or any other law to the contrary, a school district may permanently transfer an amount not to exceed \$50 per actual pupil unit from the capital expenditure fund to the general fund of the district. The transfer shall be made before June 30, ~~1983~~ 1984. *Not more than a total of \$50 per actual pupil unit may be transferred under the provisions of this section.*

Sec. 24. [POLICY.]

It is the intent of the legislature to establish a pilot project to maximize the use of public funds by reorganizing the administrative functions of certain school districts. It is the policy of the legislature to maintain current school district boundaries while reorganizing administrative functions.

Sec. 25. [PILOT ADMINISTRATIVE DISTRICTS.]

Subdivision 1. [APPLICABILITY.] The provisions of this section shall apply to school districts whose greatest land area lies within the counties of Koochiching, Itasca, Lake, St. Louis, and Carleton.

Subd. 2. [DEFINITIONS.]

(a) "Administrative district" means an administrative unit composed of member school districts which conducts the administrative and business functions for all member school districts.

(b) "Administrative board" means a board composed of one member from each school board in the administrative district with the power to employ a qualified superintendent and business manager and discharge the same for cause.

(c) "Administrative aid" means the aid paid to an administrative district used for administrative costs. These funds are the only funds which may be used for administrative expenditures in the administrative district.

Subd. 3. [LEGISLATIVE REPORT.]

By February 1, 1984, the department of education shall submit a report to the legislature about reorganizing the administrative functions of the school districts in subdivision 1. The report shall include:

(a) the geographic area and legal boundaries establishing administrative

districts which maintain all present school district boundaries and contain at least 5,000 students;

(b) the projected population of the proposed administrative district, including present enrollment, census estimates, and projections for the population of preschool and school-aged persons in the district;

(c) maintaining current school board responsibilities and functions with the exception of employing the superintendent and business manager which will be the function of the administrative board;

(d) plans to establish an administrative board composed of one current member of each school board in the administrative district. Election to the administrative board shall be by vote of all current school board members of participating districts with each school board member having one vote. Each school district shall have one member on the administrative board;

(e) an analysis of the estimated financial and educational impact of an administrative district;

(f) an analysis of present administrative expenditures in school districts, estimated costs in establishing and operating an administrative district, and suggestions for a categorical aid program for administrative expenditures which prohibits transferring instructional funds for administrative expenditures.

(g) projected implementation dates to have administrative districts begin operation;

(h) statutory or administrative rule changes required to implement the administrative district; and

(i) an analysis of all cooperative or multiregional agreements entered into by school districts and the impact of administrative district organization on those agreements.

Sec. 26. [FUND TRANSFER AUTHORIZATION; SCHOOL DISTRICT NO. 694.]

Notwithstanding any law to the contrary, Independent School District No. 694 is authorized to permanently transfer from the appropriated fund balance account for bus purchases in its transportation fund an amount not to exceed \$75,838 and from the capital expenditure fund an amount not to exceed \$131,801 to the general fund during the 1983-1984 school year.

Sec. 27. [DATE OF CONSOLIDATION.]

Notwithstanding Minnesota Statutes, section 122.23, subdivision 13, or any other law to the contrary, the effective date of a consolidation of Independent School District No. 694, Buhl, with one or more school districts may be a date in 1984, as agreed upon by the school boards of the affected districts.

Sec. 28. [PILOT PROJECTS USING MICROCOMPUTERS.]

The department of education shall pilot test the reporting method established in Minnesota Statutes, section 121.936, subdivision 4a, in school districts during the 1983-1984 school year. No more than 12 districts shall be designated as pilot sites.

The school districts selected as pilot sites shall be exempt from the requirements in Minnesota Statutes, section 121.936, subdivision 1, clause (b), for the 1983-1984 school year.

The pilot test shall begin on July 1, 1983. The legislative auditor shall conduct a midyear performance evaluation of the reporting method and report his findings to the legislature by February 15, 1984. The cost of this evaluation shall be paid by the department of education.

Sec. 29. [TIME PERIOD EXTENDED.]

Notwithstanding the provisions of Minnesota Statutes 1982, section 125.185, and 5 MCAR S 3.002, the board of teaching shall extend the time period to apply for a life license from July 1, 1982 to January 1, 1984.

Sec. 30. [REPEALER.]

Minnesota Statutes 1982, section 122.90, is repealed.

Sec. 31. [APPROPRIATION.]

Subdivision 1. [MAXIMUM EFFORT.] There is appropriated from the general fund to the maximum effort school loan fund the sums indicated in this section for the fiscal years ending June 30 in the years designated.

\$2,719,000 1984,

\$3,672,000 1985.

Subd. 2. [COMMISSION ON EDUCATION.] There is appropriated \$40,000 from the general fund to the legislative commission on education for operating expenses. The sum is available until June 30, 1985.

Sec. 32. [EFFECTIVE DATE.]

Sections 1, 7, 10, 15, 23, 24 and 25 are effective the day following final enactment.

ARTICLE 8

TEACHER MOBILITY

Section 1. Minnesota Statutes 1982, section 125.60, subdivision 3, is amended to read:

Subd. 3. Except as provided in subdivisions 6a and 6b, a teacher on an extended leave of absence pursuant to this section shall have the right to be reinstated to a position for which he is licensed at the beginning of any school year which immediately follows a year of the extended leave of absence, unless he is discharged or placed on unrequested leave of absence or his contract is terminated pursuant to section 125.12 or 125.17 while he is on the extended leave. The board shall not be obligated to reinstate any teacher who is on an extended leave of absence pursuant to this section unless the teacher advises the board of his intention to return before February 1 in the school year preceding the school year in which he wishes to return. ~~The board shall notify the commissioner within 30 days of being notified that a teacher intends to return from an extended leave.~~

Sec. 2. Minnesota Statutes 1982, 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 procedures for applications 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 requests 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~~ 250 applications for extended leaves beginning in the ~~1981-1982, 1982-1983 and 1983-1984 school years~~ year for teachers who intend to pay employee contributions and request state payment of employer contributions.

If more than ~~300~~ 250 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 1982, 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 subdivision 1a ~~he or 1b~~ may pay employee contributions and receive allowable service credit toward annuities and other benefits under this chapter, for each year of ~~his the~~ leave by paying into the fund ~~employee contributions provided the member and the employing board make the required employer contribution in any proportion they may agree upon,~~ during the period of the leave which shall not exceed five years. Except as provided in subdivision 1a or 1b, the state shall not pay employer contributions into the fund for ~~each any~~ year for which a member ~~who~~ is on extended leave ~~pays employee contributions into the fund~~. The employee and employer contributions shall be based upon the rates of contribution prescribed by section 354.42 for the salary received during the year immediately preceding the extended leave. Payments for the years for which a member is receiving service credit while on extended leave shall be made on or before June 30 of each fiscal year for which service credit is received.

Sec. 4. Minnesota Statutes 1982, section 354.094, subdivision 1a, is

amended to read:

Subd. 1a. ~~[RESTRICTIONS EXCEPTIONS.]~~ Notwithstanding subdivision 1, the following provisions apply to elementary, secondary and area vocational-technical school teachers whose extended leaves begin in the 1981-1982, 1982-1983, or 1983-1984 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 on or before June 30, 1983, may pay employee contributions and receive allowable service credit toward annuities and other benefits under this chapter for each year of the leave during the period of the leave which shall not exceed five years;~~

(b) The state shall pay employer contributions *into the fund* for a member described in clause (a) for no more than the first three years of the leave, *provided the member who is on extended leave pays the employee contribution into the fund by the payment date specified in subdivision 1;*

(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~~ *the* 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. 5. Minnesota Statutes 1982, section 354.094, is amended by adding a subdivision to read:

Subd. 1b. [EXCEPTION.] Notwithstanding subdivision 1, the following provisions apply only to elementary, secondary, and area vocational technical school teachers whose extended leaves began in the 1978-1979, 1979-1980, or 1980-1981 school years:

(a) A member whose period of extended leave began on or before May 15, 1981, may pay employee contributions and receive allowable service credit toward annuities and other benefits under this chapter for each year of the leave during the period of the leave which does not exceed five years;

(b) The state shall pay employer contributions into the fund for a member described in clause (a) of this subdivision for each year of the leave for which the member who is on extended leave pays the employee's contribution into the fund by the payment date specified in subdivision 1.

Sec. 6. Minnesota Statutes 1982, section 354.66, subdivision 4, is amended to read:

Subd. 4. Notwithstanding any provision ~~of~~ *to the contrary* in this chapter relating to the salary figure to be used for the determination of contributions or the accrual of service credit ~~to the contrary~~, a teacher assigned to a part time position pursuant to this section shall continue to make employee con-

tributions to and to accrue allowable service credit in the retirement fund during the period of part time employment ~~pursuant to this section upon~~ on the same basis and in the same amounts as would have been paid and accrued if the teacher had been employed on a full time basis *provided that prior to June 30 each year the member and the employing board make that portion of the required employer contribution to the retirement fund, in any proportion which they may agree upon, that is based on the difference between the amount of compensation that would have been paid if the teacher had been employed on a full time basis and the amount of compensation actually received by the teacher for the services rendered in the part time assignment.* The state shall make ~~the full~~ that portion of the required employer contributions to the retirement fund on behalf of the teacher ~~to the retirement association for the part time teaching service~~ that is based on the amount of compensation actually received by the teacher for the services rendered in the part time assignment in the manner described in section 354.43, subdivisions 1, 2 and 5. The employee and employer contributions shall be based upon the rates of contribution prescribed by section 354.42. Full accrual of allowable service credit and employee contributions for part time teaching service pursuant to this section and section 354A.094 shall not continue for a period longer than 10 years.

Sec. 7. Minnesota Statutes 1982, section 354.66, is amended by adding a subdivision to read:

Subd. 4a. [EXCEPTION.] Notwithstanding the provisions of subdivision 4, a teacher whose assignment to a part time position pursuant to this section is authorized by the commissioner on or before June 30, 1983, shall continue to make employee contributions and to accrue allowable service credits in the retirement fund during the period of part time employment on the same basis and in the same amounts as would have been paid and accrued if the teacher had been employed on a full time basis. The state shall make the full required employer contributions to the retirement fund on behalf of the teacher in the manner described in section 354.43, subdivisions 1 and 5. The employee and employer contributions shall be based upon the rates of contribution prescribed by section 354.42. Full accrual of allowable service credit and employee contributions for part time teaching service pursuant to this section and section 354A.094 shall not continue for a period longer than ten years.

Sec. 8. Minnesota Statutes 1982, 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 full accrual of service credit from and employee contributions to the retirement fund pursuant to this section without applying for and receiving the authorization of the commissioner of education. In cooperation with the board of trustees of the teachers retirement association and the boards of trustees of the appropriate teachers 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 the applications from school districts for authorization to assign teachers to part time teaching positions qualifying for full accrual of service credit from and employee contributions to the retirement fund pursuant to this section; provided he shall not approve more than

§§ 125 total applications pursuant to this section and section 354A.094 for participation in the fund in any fiscal year. If more than §§ 125 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 full accrual of service credit from and employee contributions to the retirement fund pursuant to this section without applying for and receiving the authorization of the commissioner of education.

Sec. 9. Minnesota Statutes 1982, section 354A.091, subdivision 1, is amended to read:

Subdivision 1. [RETIRED 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 subdivision 1a or 1b 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, *may pay employee contributions to the applicable association and shall be entitled to receive allowable service credit in the applicable that association for each year of leave, provided the member and the employing board make the required employer contributions, in any proportion they may agree upon, to that association during the period of leave which shall not exceed five years. 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 subdivision 1a or 1b the state shall not make an employer contribution on behalf of the teacher to the applicable association for that year. The employee and employer contributions shall be in amounts equal to the employee and employer contribution rates in effect for other active members of the association covered by the same program applied based upon the rates of contribution prescribed by section 354A.12 as 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 and employer contributions 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 received.* 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. 10. Minnesota Statutes 1982, section 354A.091, subdivision 1a, is amended to read:

Subd. 1a. ~~[CONTRIBUTION RESTRICTIONS EXCEPTION.]~~ Notwithstanding subdivision 1, the following provisions apply to elementary, secondary and area vocational-technical school teachers whose extended leaves begin in the 1981-1982, 1982-1983, or 1983-1984 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 4 on or before June 30, 1983, may pay employee contributions to the applicable association and receive allowable service credit in that association for each year of leave during the period of the leave, which shall not exceed five years;~~

(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, *provided the member who is on extended leave pays the employee contribution to the applicable association by the payment date specified in subdivision 1;*

(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~~ the 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 1982, section 354A.091, is amended by adding a subdivision to read:

Subd. 1b. [EXCEPTION.] Notwithstanding subdivision 1, the following provisions apply only to elementary, secondary, and area vocational technical school teachers whose extended leaves began in the 1978-1979, 1979-1980 or 1980-1981 school years:

(a) A member whose period of extended leave began on or before May 15, 1981, may pay employee contributions and receive allowable service credit toward annuities and other benefits under this chapter for each year of the leave during the period of the leave which does not exceed five years;

(b) The state shall pay employer contributions into the applicable fund for a member described in clause (a) of this subdivision for each year of the leave for which the member who is on extended leave pays the employee's contribution into the fund by the payment date specified in subdivision 1.

Sec. 12. Minnesota Statutes 1982, section 354A.094, subdivision 4, is amended to read:

Subd. 4. Notwithstanding any provision to the contrary in 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, a teacher assigned to a part time position pursuant to this

section shall continue to make employee contributions to and to accrue allowable service credit in the applicable association during the period of part time employment pursuant to this section upon on the same basis and in the same amounts as would have been paid and accrued if the teacher had been employed on a full time basis provided the member and the employing board prior to June 30 each year make that portion of the required employer contribution to the applicable association in any proportion which they may agree upon, that is based on the difference between the amount of compensation that would have been paid if the teacher had been employed on a full time basis and the amount of compensation actually received by the teacher for services rendered in the part time assignment. The state shall make the full that portion of required employer contributions to the applicable association on behalf of the teacher to the applicable association for the part time teaching service that is based on the amount of compensation actually received by the teacher for the services rendered in the part time assignment in the manner described in section 354.43, subdivisions 1, 2 and 5. The employee and employer contributions shall be based upon the rates of contribution prescribed by section 354A.12. Full membership, accrual of allowable service credit and employee contributions for part time teaching service by a teacher pursuant to this section and section 354.66 shall not continue for a period longer than ten years.

Sec. 13. Minnesota Statutes 1982, section 354A.094, is amended by adding a subdivision to read:

Subd. 4a. [EXCEPTION.] Notwithstanding the provisions of subdivision 4, a teacher whose assignment to a part time position pursuant to this section is authorized by the commissioner on or before June 30, 1983, shall continue to make employee contributions to and to accrue allowable service credit in the applicable association during the period of part time employment on the same basis and in the same amounts as would have been paid and accrued if the teacher had been employed on a full time basis. The state shall make the full required employer contributions to the applicable association on behalf of the teacher in the manner described in section 354.43, subdivisions 1 and 5. The employee and employer contributions shall be based upon the rates of contribution prescribed by section 354A.12. Full membership accrual of allowable service credit and employee contributions for part time teaching service by a teacher pursuant to this section and section 354.66 shall not continue for a period longer than ten years.

Sec. 14. Minnesota Statutes 1982, 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 asso-

ciation pursuant to this section; provided he shall not approve more than \$5 125 total applications pursuant to this section and section 354.66 for participation in the fund in any fiscal year. If more than \$5 125 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. 15. [REPEALER.]

Minnesota Statutes 1982, sections 125.60, subdivisions 2a and 7, 354.66, subdivision 9, and 354A.094, subdivision 9, are repealed effective June 30, 1983.

Sec. 16. [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 1982, sections 354.094 and 354A.091, there is appropriated:

\$1,143,000.....1984,

\$1,524,000.....1985.

Subd. 3. [PART-TIME TEACHING.] To meet the state's obligation prescribed in Minnesota Statutes 1982, sections 354.66 and 354A.094, there is appropriated:

\$ 74,000.....1984,

\$182,000.....1985.

Subd. 4. [EARLY RETIREMENT INCENTIVES.] To meet the state's obligation prescribed in Minnesota Statutes 1982, section 125.611, there is appropriated:

\$1,983,000.....1984,

\$2,032,500.....1985.

Subd. 5. [NON-CANCELLATION; FUNDING RESTRICTION.] Any unexpended balance remaining from the appropriations in this section for fiscal year 1984 shall not cancel but shall be available for the second year of the biennium. Notwithstanding the provisions of Minnesota Statutes 1982, sections 354.43 and 354A.12, the state's obligations prescribed in Minnesota Statutes 1982, 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 1982, 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. 17. [EFFECTIVE DATE.]

Sections 2, 8, and 14 are effective the day following final enactment.

ARTICLE 9

COUNCIL ON QUALITY EDUCATION

Section 1. Minnesota Statutes 1982, section 121.503, is amended to read:

121.503 [PROGRAM SELECTION.]

Subdivision 1. [AUTHORIZATION.] A school district or group of districts that ~~wish wishes~~ to receive ~~moneys~~ a grant for improved learning programs may apply to the ~~state board of education~~ *council on quality education* for approval. Programs may be approved for one portion of a school population, ~~an entire school attendance area, one or several attendance areas, an entire school district, or one or a group of school districts.~~

Subd. 2. [APPLICATIONS.] The ~~state board~~ *council on quality education* shall prescribe the form and manner of ~~annual~~ 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. The application may include 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. The council may require that each program be evaluated and it may contract for additional evaluation.~~

Subd. 2a. [DECLINING GRANT AMOUNTS.] *An improved learning program may receive grants for not more than three years. The grant amount for the second year of a program shall not exceed 75 percent of the grant amount for the first year. The grant amount for the third year of a program shall not exceed 50 percent of the grant amount for the first year. The council shall notify each recipient that no grant will be awarded after the third year and that the recipient is expected to continue successful programs without grants.*

Subd. 3. [WAIVERS RULES AND RIGHTS.] *On recommendation of the council of quality education, the state board of education 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 an improved learning program as a principal-teacher, counselor-teacher, or career teacher program shall maintain their not affect seniority date in the district and all or 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~~ *council on quality education* 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. 2. Minnesota Statutes 1982, section 121.505, is amended to read:

121.505 [PROGRAM CRITERIA COMPONENTS.]

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 participation by a designated individual as a principal-teacher, career teacher, or counselor-teacher, as defined in sections 121.506 and 121.507;~~

(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 involve parents in planning the educational experiences of their children;~~

(c) ~~Plans to make use of community resources and communications media to pursue improved learning opportunities for pupils an annual plan for the district to evaluate program goals and objectives;~~

(d) ~~a staff development program for teachers and other school personnel; such as that found in sections 121.506 and 121.507 plan for the district to fund the program after the third year of the program;~~

(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 objectives; 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 121.506 efforts to improve curricula strategies, instructional strategies, and use of materials which respond to the individual educational needs and learning styles of each pupil in order to enable each pupil to make continuous progress and to learn at a rate appropriate to that pupil's abilities;~~

(b) ~~A counselor-teacher program as defined in section 121.507 efforts to develop student abilities in basic skills; 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) ~~Use of community resources and communications media to pursue im-~~

proved learning opportunities for pupils;

(d) staff development for teachers and other school personnel;

(e) improvements to the learning environment, including use of the community in general, to enhance the learning process;

~~(e)~~ *(f) cooperative efforts with other agencies involved with human services or child development and development of alternative community based learning experiences;*

~~(d)~~ *(g) apprenticeship post-secondary education components for ~~students~~ pupils who are able to accelerate or programs for ~~students~~ pupils with special abilities and interests who are given advanced learning opportunities within existing programs;*

~~(e)~~ *(h) use of volunteers in the learning program;*

~~(f)~~ *(i) flexible attendance schedules for ~~students~~ pupils;*

~~(g)~~ *(j) adult education component;*

~~(h)~~ *(k) coordination with early childhood and family education ~~component~~ programs;*

~~(i)~~ *(l) variable student/faculty ratios for special education students to provide for special programming;*

~~(j)~~ *(m) inclusion of nonpublic ~~students participating in an improved learning program~~ pupils as part of the ratio in the principal-teacher and career teacher component;*

~~(k)~~ *(n) application of educational research findings;*

~~(l)~~ *(o) summer learning experiences for students as recommended by the principal-teacher and career teacher;*

~~(m)~~ *(p) use of educational assistants, teacher aides or paraprofessionals as part of the improved learning program;*

~~(n)~~ *(q) establishment of alternative criteria for high school graduation; and*

~~(o)~~ *(r) Variable age and class size groupings of students.*

Sec. 3. Minnesota Statutes 1982, section 129B.01, subdivision 1, is amended to read:

Subdivision 1. [MEMBERSHIP, TERMS.] There is ~~hereby~~ created a council on quality education consisting of 49 21 persons. The members of ~~such~~ the council shall be appointed as follows:

(1) One member ~~shall be appointed~~ by the Minnesota education association;

(2) One member ~~shall be appointed~~ by the Minnesota federation of teachers;

(3) One member ~~shall be appointed~~ by the Minnesota school board association;

(4) One member ~~shall be appointed~~ by the Minnesota state advisory council for vocational education;

(5) One member ~~shall be appointed~~ by the Minnesota state advisory council for special education;

(6) One member ~~shall be appointed~~ by the state university board;

(7) One member ~~shall be appointed~~ by the state board for community colleges;

(8) One member ~~shall be appointed~~ by the regents of the University of Minnesota;

(9) One member ~~shall be appointed~~ by the private college council;

(10) *One member by the Minnesota association for the education of young children; and*

(11) One member from each congressional district and ~~two~~ *three* members at large, ~~shall be appointed~~ by the governor with the advice and consent of the senate, none of whom shall be officers, employees or board members of state educational institutions, departments, agencies or boards.

Sec. 4. Minnesota Statutes 1982, section 129B.01, subdivision 2, is amended to read:

Subd. 2. [TERMS, COMPENSATION, REMOVAL, VACANCIES.] The membership terms, compensation, removal of members and filling of vacancies shall be as provided for in section 15.0575; *members appointed by organizations shall be subject to reappointment or removal by the appointing organizations.*

Sec. 5. Minnesota Statutes 1982, section 129B.02, is amended to read:

129B.02 [PURPOSE.]

Subdivision 1. [CONCERN FOR FUTURE.] The legislature of the state of Minnesota expresses concern over the future of elementary and secondary education in this state, its ability to meet the educational needs of the public school students, the professional growth and satisfaction of school staffs, the effectiveness and efficiency of present schools and their learning processes, continuing pupil unit cost escalation and the resulting financial crisis which this brings about. New approaches to the learning process, better ~~utilization~~ *use* of professional staff and community resources, different requirements as to course offerings, course content, grading, graduation and school attendance must be researched and developed. It is believed that revised programs, innovations, new attitudes about learning and the public schools' responsibilities can be effectively achieved if ~~such~~ *research and development are* ~~is~~ performed by the council on quality education and at the local school level by the school's staff and with involvement by the students and their community. Although funds spent now for ~~such~~ *these* purposes can produce substantial educational and cost benefits in the future, ~~such~~ *these* capital type funds are seldom available within any single school district's budget.

Subd. 2. [RESEARCH AND DEVELOPMENT.] The purpose of the council on quality education is, therefore, to encourage, promote, aid, and perform research and development for quality education in Minnesota elementary and secondary schools, to evaluate the results of significant innovative programs and to disseminate information about these programs

throughout the state.

To these ends, the council through the state board of education shall establish a venture fund from which grants or loans may be made in support of research and development programs relating to the problems and objectives ~~heretofore~~ described in this section which shall include but not be limited to:

- (1) ~~(a)~~ effective ~~utilization~~ use of community personnel and resources;
- (2) ~~(b)~~ developing improved learning programs, including model personnel policies and procedures, and new staffing and educational concepts such as differentiated staffing, the career teacher, principal-teacher, and counselor-teacher, and comprehensive developmental and educational planning for individual pupils;
- (3) ~~(c)~~ assessment and evaluation of education programs;
- (4) ~~(d)~~ developing a management and unit of instructional objectives design which will provide development of procedures to increase schools' accountability by relating time and dollars to the amount of learning produced;
- (5) ~~(e)~~ determining determination of responsibilities to be assumed by the schools exclusively or concurrently with other agencies or individuals;
- (6) ~~(f)~~ effective dissemination of educational information;
- (7) ~~(g)~~ developing development of new knowledge about learning and teaching;
- (8) ~~(h)~~ developing development of model educational programs as alternatives to existing educational practices and curricula, and alternative delivery systems for small rural schools;
- (9) ~~(i)~~ model programs and innovations to increase equality of educational opportunities;
- (10) ~~(j)~~ research and testing of new concepts of educational efficiency, effectiveness and cost benefits; and
- (11) ~~(k)~~ comprehensive interdisciplinary programs in health education and comprehensive programs designed to coordinate and integrate the delivery of pupil support services.

Subd. 3. [NEW CONCEPTS.] The council shall not be limited to supporting innovations, programs or procedures supplementary to existing school structures and programs but may assist or research entirely new concepts such as open schools, informal schools and the like. It is the legislature's intent that any supported program shall hold promise of both educational and cost benefits and that the costs and improvements in learning effectiveness introduced thereby shall be measured and related.

The council may also review literature and other information about innovative programs in Minnesota and other states and disseminate the results of this research throughout the state. The council may identify ideas for innovative programs in the course of this research and solicit proposals from school boards for grants for such programs; ~~provided~~. However, not to exceed more than ten percent of the funds appropriated to the venture fund in any year may be expended to fund such research and programs.

Subd. 4. [REPORT TO LEGISLATURE.] The council shall make a report

to the legislature by November 15 of each even numbered year to the legislature concerning all research and all proposals received and, the dispositions made thereof of them by the council and the state board of education, and of receipts and expenditures resulting from sales of materials developed through venture fund grants.

Sec. 6. Minnesota Statutes 1982, section 129B.04, is amended to read:

129B.04 [PROPOSALS.]

Subdivision 1. [REQUIREMENTS.] *The A school board of any local school district or any group of such school boards may develop a proposal for a grant or loan in support of a research and development program of the kind described in section 129B.02. Except for grants according to subdivision 1a, every such proposal shall include:*

(1) *a statement of the objectives of the program, and the procedures for achieving the objectives to achieve them;*

(2) *a description of the evaluation procedures for measuring the effectiveness of the program;*

(3) *provision for such fiscal control and fund accounting procedures as are necessary to assure proper disbursement and accounting for funds paid to the applicant;*

(4) *provision for administration of the program by the local school district, or in cooperation with other school districts, educational institutions, or local agencies under the supervision of the local school district; and*

(5) *a description of the involvement of local how school staff, students pupils, and members of the community are involved in planning and implementing the program.*

Subd. 1a. [MINI GRANTS.] The council may award grants not to exceed \$5,000 to districts to (1) disseminate information about successful projects initiated by the district with a grant from the venture fund, or (2) replicate cost-effective innovations which either were initiated in other districts with venture fund support or were validated by the department of education or federal agencies. The council shall prescribe the form and manner of application for these grants.

Subd. 2. [PROCEDURE.] Every program proposal shall be submitted to the council created by section 129B.01, not less than ~~three~~ two months before the planned commencement of the program. The council shall recommend approval or disapproval, or shall modify and then recommend such modification with respect to every proposal submitted to it. The council shall also recommend the amount and type of grant to be made in support of the proposed program in the light of the then currently available moneys in the venture fund, ~~which~~. This information shall be provided to the council by the state board of education. The council shall also recommend what rules ~~and regulations~~, if any, shall be suspended or modified ~~in order~~ to implement the proposal. Only ~~such~~ proposals as ~~are~~ recommended for approval shall be transmitted by the council to the state board; ~~and~~. All ~~such~~ these proposals shall be approved and funded from the venture fund by the state board as recommended by the council unless the state board, within 30 days of receipt of after receiving a proposal from the council, ~~shall make~~

makes other disposition of the proposal by formal board action. One half of each grant recommended by the council and funded by the state board may be deemed an interest free loan to be and repaid over a five year period years.

Sec. 7. Minnesota Statutes 1982, section 129B.05, is amended to read:

129B.05 [STATE BOARD AND COMMISSIONER.]

Subdivision 1. [GENERAL POWERS.] The state board of education shall develop and promulgate such additional recommendatory guidelines as may be appropriate for the furtherance of to further sections 129B.01 to 129B.05 and the development and implementation of the contemplated programs contemplated herein, for its benefit and the benefit of the council and applicants. The commissioner of education shall make available to the council at its request such the staff as the council deems necessary to perform its functions.

Subd. 2. [CONSULTANTS.] The council may also employ or contract for the services of outside consultants, and. The consultants may be for purposes such as research, evaluation, dissemination, cost-benefit analyses, and in-service training. The council may contract with one or more qualified consultants or law firms specializing in securing broadcast and telecast licenses from the federal communications commission. The consultant or law firm shall assist with the preparation of all necessary license applications to the federal communications commission on behalf of school districts recommended by the council as transmission sites. The council may use as much of the annual appropriation to the state department of education, made for the purposes of sections 129B.01 to 129B.05 as is necessary, shall be made available to the council for this purpose.

Sec. 8. [129B.051] [COPYRIGHT AND SALE OF PRODUCTS.]

Subdivision 1. Products of projects and programs funded pursuant to sections 129B.01 to 129B.05, including curriculum and instructional materials, computer and telecommunications software, and associated manuals and reports, shall be copyrighted, if possible, by the council in the name of the state and may be sold. The state may sell the products to school districts and public agencies located in states other than Minnesota at prices that exceed the cost of reproduction and distribution. However, the state shall sell the products to all school districts and public agencies in the state at prices that do not exceed the cost of reproduction and distribution.

Subd. 2. The education products revolving account is established in the state treasury. Proceeds up to the cost of reproduction and distribution from the sale of products under this section shall be deposited in this account. All funds in this account are annually appropriated to the department of education and shall be used to reproduce and distribute products of projects and programs funded pursuant to sections 129B.01 to 129B.05.

Subd. 3. Proceeds in excess of costs from the sale of products pursuant to this section shall be shared equally between the state and the school district which developed the product with a grant from the council. The school district share is appropriated to the department of education and shall be paid to the district. The state share is appropriated to the department of education and shall be placed in the venture fund of the council and used to fund similar projects.

Sec. 9. Minnesota Statutes 1982, section 129B.09, subdivision 1, is amended to read:

Subdivision 1. [AUTHORIZATION.] The school board of any district, however organized, which receives early childhood and family education moneys from the council on quality education shall provide those services in ~~one elementary school attendance area or an area within the district, if~~ the council deems the area to be appropriate. The council on quality education shall prescribe the form and manner of application for the programs and shall select the grant recipients. These programs shall be as equally distributed as possible among districts in cities of the first class, in suburbs, and outside the seven county metropolitan area.

Sec. 10. Minnesota Statutes 1982, section 129B.09, subdivision 12, is amended to read:

Subd. 12. [NEGOTIATED GRANTS.] ~~For the 1981-1982 and 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 129B.01 to 129B.05. *In the 1983-1984 school year, the council may fund an early childhood and family education program existing in the 1982-1983 school year in an amount not to exceed 75 percent of the grant received during the 1982-1983 school year. In the 1984-1985 school year, the council may fund an early childhood and family education program existing in the 1982-1983 school year in an amount not to exceed 50 percent of the grant received during the 1982-1983 school year. In the 1985-1986 school year, no early childhood and family education program which received a grant during the 1982-1983 school year shall receive a grant pursuant to this section. Beginning in the 1983-1984 school year, no early childhood and family education program funded by the council on a negotiated grant shall be funded for more than three years. The second year a program is funded, the negotiated grant cannot exceed 75 percent of the original grant amount. The third year a program is funded, the negotiated grant cannot exceed 50 percent of the original grant amount.*

Sec. 11. [REPORT TO LEGISLATURE.]

The council on quality education shall submit a report to the education committees of the legislature by February 15, 1984 containing evaluation data on programs designed to benefit handicapped adults and recommendations for policies for school districts to extend services to handicapped adults.

Sec. 12. [INSTRUCTION TO THE REVISOR.]

In the next edition of Minnesota Statutes, the revisor of statutes is requested to renumber Minnesota Statutes, sections 121.501, 121.502, 121.503, 121.504, 121.505, 121.506, and 121.507 in an appropriate place in Minnesota Statutes, chapter 129B. The revisor of statutes is also requested to retitle chapter 129B as "Grants for Education".

Sec. 13. [REPEALER.]

Minnesota Statutes 1982, sections 122.542 and 124.251 are repealed.

Sec. 14. [APPROPRIATION.]

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. [COUNCIL ON QUALITY EDUCATION GRANTS.] For the council on quality education grants pursuant to sections 129B.02 and 129B.04 there is appropriated:

\$778,000.....1984,

\$897,000.....1985.

The appropriation for 1984 includes \$84,000 for grants for fiscal year 1983 payable in fiscal year 1984, and \$694,000 for grants in fiscal year 1984 payable in fiscal year 1984.

The appropriation for 1985 includes \$122,000 for grants for fiscal year 1984 payable in fiscal year 1985, and \$775,000 for grants in fiscal year 1985 payable in fiscal year 1985.

The appropriations are based on 100 percent grant entitlements of \$816,000 for fiscal year 1984 and \$816,000 for fiscal year 1985.

Any unexpended balance remaining from the appropriations in this subdivision for 1984 shall not cancel and shall be available for the second year of the biennium.

ARTICLE 10

LIBRARIES

Section 1. Minnesota Statutes 1982, section 134.07, is amended to read:

134.07 [~~LIBRARIES, READING ROOMS; TAX PUBLIC LIBRARY SERVICE.~~]

~~Subdivision 1.~~ The governing body of any city or county may establish and maintain a public library, a public reading room, or both, service for the use of its inhabitants. By ordinance or resolution it may set apart for the benefit thereof any public property of the city or county. ~~Except as provided in subdivision 2,~~ In any statutory city and in any city of the second, third, or fourth class, and in any county, the governing body thereof may levy an annual tax of not more than 2-6 2/3 mills on the dollar, of all taxable property therein ~~except counties may not tax property which is already taxed for public library service.~~ The proceeds of ~~any such~~ the tax shall be known as the library fund.

~~Subd. 2.~~ The governing body of any city of the fourth class located in any county having over 7,000 and less than 9,000 inhabitants and over 70 full and fractional congressional townships, operating under a home rule charter, may levy an annual tax of not to exceed 1-6 2/3 mills for such purposes, notwithstanding any limitation contained in its home rule charter.

Sec. 2. Minnesota Statutes 1982, section 134.08, is amended to read:

134.08 [~~WHEN ESTABLISHED BY VOTE; EXISTING LIBRARIES ESTABLISHING AND DISCONTINUING LIBRARY SERVICE; APPLICABILITY OF LAW.~~]

Subdivision 1. [ESTABLISHMENT.] If a public library or reading room service is not otherwise established under section 134.07, the governing

body of the ~~municipality~~ city or county, upon the petition of ~~50~~ eligible voters, as defined in section ~~200.02~~ 201.014, subdivision 25 1, of the ~~municipality~~ city or county, in a number not less than five percent of the number of persons who voted at the last general election in the city or county, shall submit the question of the establishment or provision of public library services to the voters at the next ~~municipal~~ general election. If ~~two-thirds~~ a majority of the votes cast on the question are in the affirmative, the governing body shall establish the library or ~~reading room~~ shall provide public library service as authorized in section 134.12 or 375.335 and levy a ~~yearly~~ annual tax for its support, ~~within the limits fixed by section 134.07.~~

Subd. 2. [DISCONTINUANCE.] If public library service is established under the provisions of subdivision 1, it may be discontinued only after a majority of the votes cast on the question are in the affirmative on a question on a ballot in a general election. The question of discontinuance of public library service shall be placed on the ballot at the next general election upon the petition of eligible voters, as defined in section 201.014, subdivision 1, of the city or county, in a number not less than five percent of the number of persons who voted at the last general election in the city or county.

Subd. 3. [APPLICABILITY.] All public libraries and reading rooms library service heretofore established and now existing in cities are and counties is continued and all ordinances and resolutions setting apart public property for their support are hereby confirmed. Nothing in sections 134.08 to 134.15 shall be construed as abridging any power or duty in respect to libraries conferred by any city charter. If a city charter does not address matters provided for in chapter 134, the provisions of chapter 134 shall apply.

Sec. 3. Minnesota Statutes 1982, section 134.09, is amended to read:

134.09 [DIRECTORS LIBRARY BOARDS; TERM; REMOVAL.]

Subdivision 1. [APPOINTMENT.] When any such public library or ~~reading room~~ service is established, except in any city of the first class operating under a home rule charter, the mayor of the city or ~~president of the statutory city,~~ with the approval of the council for a city library or the board of commissioners for a county library, shall appoint a board of five, seven or nine ~~directors members from among the residents of the city or county, but.~~ The number of members on the board shall be determined by resolution or ordinance adopted by the council or the board of commissioners. Not more than one of ~~whom council member or county commissioner~~ shall at any time be a member of ~~such governing body, such the library board.~~ The appointments ~~to shall be made prior to before~~ the first meeting of ~~such the~~ library board after the end of the fiscal year.

Subd. 2. [TERM OF OFFICE.] If nine board members are appointed, three shall hold office for one year, three for two years and three for three years. If seven members ~~be are~~ appointed, three shall hold office for one year, two for two years, and two for three years; if five ~~be are~~ appointed, two shall hold office for one year, two for two years, and one for three years. ~~The number of directors on the board shall be determined by resolution or ordinance adopted by the council.~~ All terms shall end with the fiscal year. Annually ~~thereafter such~~ the mayor or ~~president~~ with the approval of the council, or the board of county commissioners shall appoint board members for the term of three years and until their successors qualify a sufficient number of ~~directors members~~ to fill the places of those whose term or terms expire. A library board member shall not be eligible to serve more than three consec-

utive three-year terms.

Subd. 2 3. [REMOVAL OF MEMBERS.] The mayor ~~or president, by and with the consent approval of the council, or the board of county commissioners~~ may remove any ~~director member~~ for misconduct or neglect.

Subd. 3. Terms of directors in office at the time Laws 1945, Chapter 46, takes effect shall expire at the end of the city's fiscal year current at the expiration of their terms as heretofore provided.

Subd. 4. [ABOLISHMENT.] Upon recommendation of a majority of any library board created under the provisions of subdivision 1, the governing body of ~~such the city or county~~ may abolish ~~such the~~ library board at the end of any fiscal year provided that ~~such the~~ governing body shall simultaneously establish a successor library board of either five, seven or nine members by resolution or ordinance. ~~In the event of such resolution or ordinance, the mayor, with the approval of the council, shall appoint a library board of the number of members as provided by said resolution or ordinance. If nine are appointed, three shall hold office for one year, three for two years and three for three years. If seven members be appointed, three shall hold office for one year, two for two years, and two for three years; if five be appointed, two shall hold office for one year, two for two years, and one for three years. Annually thereafter such mayor shall appoint for the term of three years and until their successors qualify a sufficient number of directors to fill the places of those whose term or terms expire. All terms shall end with the fiscal year. The appointment of successor board members shall be made as provided in subdivision 1. The terms of successor board members shall be as provided in subdivision 2.~~

Sec. 4. Minnesota Statutes 1982, section 134.10, is amended to read:

134.10 [BOARD VACANCIES; COMPENSATION.]

~~Vacancies in The library board of directors president shall be reported report vacancies in the board to the council and filled by like or the board of county commissioners. The council or board of county commissioners shall fill the vacancies by appointment for the unexpired term. Directors Library board members shall receive no compensation for their services as such but may be reimbursed for actual and necessary traveling expenses incurred in the discharge of library board duties and activities.~~

Sec. 5. Minnesota Statutes 1982, section 134.11, is amended to read:

134.11 [ORGANIZATION OF BOARD; RULES BONDING; DUTIES.]

~~Subdivision 1. [ORGANIZATION.] Immediately after appointment, such the library board shall organize by electing one of its number as president and one as secretary, and from time to time it may appoint such other officers and employees as it deems necessary. The secretary, before entering upon his duties, shall give bond to the municipality in an amount fixed by the directors, conditioned for the faithful discharge of his official duties.~~

Subd. 2. [DUTIES.] The library board shall adopt ~~such~~ bylaws and regulations for the government of the library ~~and reading room~~ and for the conduct of its business as may be expedient and conformable to law. It shall have exclusive control of the expenditure of all moneys collected for or placed to the credit of the library fund, ~~of interest earned on all moneys collected for or placed to the credit of the library fund,~~ of the construction of library buildings, and of the grounds, rooms, and buildings provided for library purposes. All moneys received for ~~such the~~ library shall be paid into

the city or county treasury, credited to the library fund, kept separate from other moneys of the ~~municipality~~ city or county, and paid out only upon ~~itemized vouchers approved~~ approval by the board. The library board may lease rooms for library use; ~~fix~~. The library board shall appoint a library director and other staff as necessary, establish the compensation of employees, and remove any of them ~~at pleasure for cause~~. With the approval of the council or board of county commissioners, the library board may purchase grounds and erect a library building thereon.

Sec. 6. Minnesota Statutes 1982, section 134.12, is amended to read:

134.12 [BENEFITS OF LIBRARY.]

Subdivision 1. [NON-RESIDENTS TO RECEIVE.] Any library board of ~~directors~~ may admit to the benefits of its library persons not residing within the ~~municipality~~ its city or county under regulations and upon conditions as to payment and security prescribed by ~~it~~ the library board.

Subd. 2. [LOAN OF BOOKS, CONTRACTS WITH CITIES AND TOWNS.] The library board may contract with the county board of the county in which the library is situated or the county board of any adjacent county, or with the governing body of any neighboring town or city, to loan ~~books of the library, either singly or in traveling libraries,~~ library materials to residents of the contracting county, town, or city.

Subd. 3. [USE OF ~~FREE~~ PUBLIC LIBRARY; TAX LEVY.] Any ~~such~~ county board or city governing body may contract with the board of ~~directors~~ of any ~~free~~ city or county public library for the use of the library by the residents of the county, town, or city who do not have the use of a ~~free public~~ library, upon the terms and conditions as those granted residents of the city or county where the ~~public~~ library is located, and to pay ~~such~~ the library board of ~~directors~~ an annual amount therefor. Any ~~such~~ county board or city governing body may establish a library fund by levying an annual tax upon all taxable property which is not already taxed for the support of any ~~free~~ public library and all taxable property which is situated outside of any city in which is situated a ~~free~~ public library.

Sec. 7. Minnesota Statutes 1982, section 134.13, is amended to read:

134.13 [DIRECTORS NOW IN OFFICE; ANNUAL REPORT; EXCEP-
TIONS.]

The directors of any such library or reading room in office under existing laws shall so continue until the expiration of their terms; but their successors shall be appointed and vacancies filled under the provision of sections 134.08 to 134.15. At the first regular meeting of the board As soon as practicable following the end of each the fiscal year of a city, the library board shall report to the governing body of the ~~municipality~~ city or county all amounts received during the preceding year and the sources thereof, the amounts expended and for what purposes, the number of ~~books~~ library materials on hand, the number purchased and loaned, and such other information as it deems advisable. A copy of such report No later than April 1 of each year the library board shall be filed file this information with the Library Division, state department of education on forms supplied by the department. Nothing in this section shall apply to libraries in cities of the first class.

Sec. 8. Minnesota Statutes 1982, section 134.14, is amended to read:

134.14 [TITLE TO PROPERTY; FREE USE.]

All property given, granted, conveyed, donated, devised, or bequeathed to, or otherwise acquired by, any ~~municipality~~ *city or county* for a *public library or reading room* shall vest in, and be held in the name of, ~~such municipality~~ *the city or county* and any conveyance, grant, donation, devise, bequest, or gift made to, or in the name of, any public library or library board shall be deemed to have been made directly to ~~such municipality~~ *the city or county to be used as provided in section 134.11*. Every public library ~~and reading room~~ established under sections ~~134.08~~ *134.07* to 134.15 shall be forever free to the use of the inhabitants of the ~~municipality~~ *city or county* subject to ~~such~~ reasonable regulations as the ~~directors~~ *library board* may adopt.

Sec. 9. Minnesota Statutes 1982, section 134.15, is amended to read:

134.15 [GIFTS; CONTRACTS.]

With the consent of the governing body of any *city or county*, expressed by ordinance or resolution, ~~and within the limitations of sections 134.08 to 134.15 as to the rate of taxation~~, the library board may accept any gift, grant, devise, or bequest made or offered by any person for *public library* purposes, or for the establishment, enlargement, or maintenance of an art gallery or museum in connection with its library, and may carry out the conditions of ~~such~~ *the* donation. The ~~municipality~~ *city or county* in all such cases is authorized to acquire a site, levy a tax, and pledge itself by ordinance or resolution to a perpetual compliance with all the terms and conditions of the gift, grant, devise, or bequest so accepted.

Sec. 10. Minnesota Statutes 1982, section 134.30, is amended to read:

134.30 [DEFINITIONS.]

Subdivision 1. ~~As used in sections 134.30 to 134.35 and sections 134.351, 134.352, and 134.353, The terms defined used in this section shall chapter 134 have the meanings ascribed to given them in this section.~~

Subd. 2. "Public library" means any library that provides free access to all residents of a city or county without discrimination, receives at least half of its financial support from public funds and is organized under the provisions of chapter 134 ~~or section 375.33~~. It does not include libraries such as law, medical, school and academic libraries organized to serve a special group of persons, or libraries organized as a combination of a public library and another type of library.

Subd. 3. "Public library services" means services provided by or on behalf of a public library and does not include services for elementary schools, secondary schools or post-secondary educational institutions.

Subd. 4. "Regional public library system" means a multicounty public library service agency that provides free access to all residents of the region without discrimination, and is organized under the provisions of ~~sections 134.12, 375.335, 471.59 or chapter 317~~ *chapter 134 or 317, or section 471.59*.

Subd. 5. "Basic system services" means services offered by all regional public library systems either directly or by contract. These services shall

include, but are not limited to, communication among participants, resource sharing, delivery of materials, reciprocal borrowing, and cooperative reference service.

Subd. 6. "Multi-county, multi-type library system" means a cooperative network composed of any combination of public libraries, regional public library systems, public school libraries, public or private college or university libraries and any other libraries which share services and resources within a multi-county area.

Subd. 7. "City" or "cities" means home rule and statutory cities unless specifically provided otherwise.

Sec. 11. Minnesota Statutes 1982, section 134.32, subdivision 1, is amended to read:

Subdivision 1. The department shall provide the grants specified in this section from any available state ~~or~~, federal, *or other* funds.

Sec. 12. Minnesota Statutes 1982, section 134.32, subdivision 7, is amended to read:

Subd. 7. ~~Nothing within the provisions of this section shall be construed to allow state money to be used for the construction of library facilities~~ *It may provide grants for construction or remodeling of library facilities from any state and federal funds specifically appropriated for this purpose.*

Sec. 13. Minnesota Statutes 1982, section 134.351, subdivision 3, is amended to read:

Subd. 3. [AGREEMENT.] In order for a multi-county, multi-type library system to qualify for a planning, development or operating grant pursuant to sections ~~134.352 and~~ 134.353 *and section 16*, each participating library in the system shall adopt an organizational agreement providing for the following:

- (a) Sharing of resources among all participating libraries;
- (b) Long-range planning for cooperative programs;
- (c) The development of a delivery system for services and programs;
- (d) The development of a bibliographic data base; and
- (e) A communications system among all cooperating libraries.

Sec. 14. Minnesota Statutes 1982, section 134.351, subdivision 7, is amended to read:

Subd. 7. [REPORTS.] Each multi-county, multi-type system receiving a grant pursuant to section ~~134.352 or~~ 134.353 *or section 16* 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~~ section 134.353 *and section 16*.

Sec. 15. Minnesota Statutes 1982, section 134.353, is amended to read:

134.353 [MULTI-COUNTY, MULTI-TYPE LIBRARY SYSTEM DEVELOPMENT GRANT.]

The state board of education may provide development ~~and operating~~

grants to multi-county, multi-type library systems in their second and subsequent years of operation. In awarding a development and operating grant, the state board shall consider the extra costs incurred in systems located in sparsely populated and large geographic regions.

Sec. 16. [134.354] [MULTI-COUNTY, MULTI-TYPE LIBRARY SYSTEM OPERATING GRANT.]

The state board of education may provide operating grants to multi-county, multi-type library systems. In awarding an operating grant, the state board shall consider the extra costs incurred in systems located in sparsely populated and large geographic areas.

Sec. 17. Minnesota Statutes 1982, 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 sections 134.30 to 134.353~~ library grant programs.

Sec. 18. Minnesota Statutes 1982, section 375.335, is amended to read:

375.335 [REGIONAL LIBRARIES PUBLIC LIBRARY SYSTEMS.]

Subdivision 1. [ESTABLISHMENT.] Two or more ~~contiguous~~ counties ~~except counties one or more of which contain a city of the first class over 300,000 according to the 1960 United States census or two or more cities located in two or more counties~~ may, through action by their governing bodies under the provisions of section 471.59, establish and maintain a regional public library system, even though any one or more of the counties or cities may already have a ~~county~~ library with a library board; provided that in any ~~such~~ county or city already having a ~~county~~ library board, the approval of ~~said~~ the library board shall also be required. Cities ~~in any of the contracting counties~~ having public libraries may join in the regional public library system by being parties to the agreement which establishes the regional public library system through action of their library boards and their city councils, or as ~~hereinafter~~ provided in subdivision 3.

Subd. 2. [LIBRARY BOARD.] The agreement establishing ~~such~~ a regional public library ~~may~~ system shall provide for a library board to govern the organization having all the powers and duties of city and county library boards as provided in ~~section 375.33~~ sections 134.11, 134.12, and 134.13 and including exclusive determination of all library services to be provided under terms of the agreement as defined in section 134.30, subdivision 5, and exclusive control of the expenditure of all funds for the services. ~~Such~~ The regional library system board may consist of as many members as the contracting parties deem necessary, appointed in ~~such numbers~~ a number from among the residents of the contracting parties and for ~~such~~ terms by each ~~county board~~ party to the contract as may be determined by the contracting parties, irrespective of the existence of one or more city and county library boards already in existence in the participating cities and counties. Not more than one member from each contracting party shall be a member of the governing body of a contracting party and no member may be appointed to serve more than three consecutive three-year terms. In ~~such~~ the participating cities and counties, ~~such~~ the portion of the proceeds of the city and county library

tax authorized by section ~~375.33, subdivision 1~~ 134.07, shall be used for the support of the regional *public library system* as the contracting agreement may provide.

Subd. 3. [CITY PARTICIPATION.] Where ~~such a~~ regional *public library system* is established, any city located in any of the contracting counties which is excluded from the county tax supporting the regional *public library system* under the provisions of section ~~375.33, subdivision 1~~ 134.07, may, upon recommendation of its library board and upon action by its governing body, be included in ~~such the~~ county tax and become an integral part of the regional *public library system*. ~~Such cities and any other cities in the participating counties~~ *Cities included in the county tax and with public libraries which are part of the regional public library system*, whether or not governed by home rule charter provisions, *upon action by their city council*, may levy taxes for the additional support of their local library services ~~provided that said combined levies shall not exceed the statutory limit on the library levy~~. Any ~~such~~ local public library board or governing body may, at its option, continue to control ~~such the~~ local library fund or pay all or part thereof into the regional *public library system* fund, to be used for the increase or improvement of *public library services* in ~~such the~~ city.

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.

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.

Subd. 6. [RATIFICATION.] Any multicounty regional *public library* heretofore created, and the agreements creating them, are hereby validated, ratified, and confirmed and the benefits of subdivisions 1 to 6 5 shall hereafter apply to these libraries.

Sec. 19. Minnesota Statutes 1982, section 648.39, subdivision 1, is amended to read:

Subdivision 1. [FREE DISTRIBUTION.] The revisor of statutes shall without charge distribute each edition of Minnesota Statutes, supplement to the Minnesota Statutes, and the 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) 100 copies to the office of the attorney general;
- (g) 10 copies each to the governor's office, the departments of 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 other state departments, agencies, boards, and commissions not specifically named in this subdivision;
- (i) 1 copy to each member of the legislature;
- (j) 100 copies 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;
- (n) 20 copies each to the department of administration, state auditor, and legislative auditor;
- (o) 1 copy to each county library maintained pursuant to ~~section 134.12 or 375.33 chapter 134~~, 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 chapter 134~~, the copy shall be provided to any public library in the county; and
- (p) 50 copies to the revisor of statutes.

Sec. 20. [REPEALER.]

Minnesota Statutes 1982, sections 134.03; 134.06; 134.16; 134.19; 134.352; and 375.33 are repealed.

Sec. 21. [INSTRUCTION TO THE REVISOR.]

The revisor of statutes, under the powers in section 648.34, shall renumber sections 134.01 and 134.02 by placing them in chapter 123; shall renumber section 134.04 by placing it in chapter 121; shall renumber section 134.30 by placing it at the beginning of chapter 134; and shall renumber section 375.335 by placing it in chapter 134.

Sec. 22. [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. [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:

\$4,417,000.....1984,

\$5,161,000.....1985.

The appropriation for 1984 includes \$595,000 for aid for fiscal year 1983 payable in fiscal year 1984, and \$3,822,000 for aid for fiscal year 1984 payable in fiscal year 1984.

The appropriation for 1985 includes \$675,000 for aid for fiscal year 1984 payable in fiscal year 1985 and \$4,486,000 for aid for fiscal year 1985 payable in fiscal year 1985.

The appropriations are based on 100 percent aid entitlements of \$4,497,000 for fiscal year 1984 and \$4,722,000 for fiscal year 1985.

If the Crow River regional library system and the Western Plains regional library system merge by July 1, 1983, the basic support grant paid to the merged system pursuant to section 134.35, subdivision 4, shall be increased by \$24,000 in fiscal year 1984 and \$12,000 in fiscal year 1985. These additional grants are included in the appropriations in this subdivision.

Subd. 3. [MULTI-COUNTY LIBRARY SYSTEMS.] For grants pursuant to sections 134.353 and 16 to multi-county, multi-type library systems there is appropriated:

\$189,000.....1984,

\$221,000.....1985.

The appropriation for 1984 includes \$26,000 for aid for fiscal year 1983 payable in fiscal year 1984, and \$163,000 for aid for fiscal year 1984 payable in fiscal year 1984.

The appropriation for 1985 includes \$29,000 for aid for fiscal year 1984 payable in fiscal year 1985 and \$192,000 for aid for fiscal year 1985 payable in fiscal year 1985.

The appropriations are based on 100 percent aid entitlements of \$192,000 for fiscal year 1984 and \$202,000 for fiscal year 1985.

ARTICLE 11

HIGH TECHNOLOGY

Section 1. [POLICY.]

The legislature recognizes that the development of the state's economy is highly dependent on providing for and improving the quality and productivity of the education of all students. Existing and developing technology, if used appropriately, has tremendous potential. There is need for a comprehensive program which permits the benefits of using technology in instruction to be realized in schools and their communities. Some of the desired results in education that must be emphasized include:

(a) Raising the quality of instruction while containing costs;

(b) Offering programs and services not otherwise available because of

insufficient populations or resources; and

(c) Preparing pupils of all ages to handle a high technology world.

Sec. 2. [129B.10] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] For the purpose of sections 3 to 10, the following terms have the meanings given them, unless clearly provided otherwise.

Subd. 2. [AVERAGE DAILY MEMBERSHIP.] "Average daily membership" has the meaning given it in section 124.17, subdivision 2.

Subd. 3. [COURSEWARE PACKAGE.] "Courseware package" means software and its supporting materials, such as workbooks and textbooks, integrated videotape, and disc.

Subd. 4. [STATE BOARD.] "State board" means state board of education.

Subd. 5. [TASK FORCE.] "Task force" means the advisory task force on technology in education established in section 3.

Subd. 6. [TECHNOLOGY.] "Technology" includes, but is not limited to, computers, telecommunications, cable television, interactive video, film, low-power television, satellite communications, and microwave communications.

Sec. 3. [129B.12] [TASK FORCE ON TECHNOLOGY IN EDUCATION.]

By July 1, 1983, an advisory task force on technology in education shall be appointed by the governor to assist in the implementation of this chapter. The task force shall consist of 11 members, one from each congressional district and three members to represent the state at large. The task force shall have representation from public school teachers and administrators, school boards, parents, higher education, and at least two members from high technology business and industry. Task force members shall be knowledgeable about use of technology in elementary and secondary instruction. The provisions of section 15.959, subdivision 6, shall govern the terms and compensation of the task force, except that the task force shall expire on June 30, 1985.

Sec. 4. [129B.14] [TECHNOLOGY UTILIZATION PLANS.]

Subdivision 1. [DEVELOPMENT OF PLAN.] Each school district is encouraged to develop and adopt as part of its educational policy a written technology utilization plan, in consultation with the curriculum advisory committee for planning, evaluation, and reporting appointed pursuant to section 123.741, subdivision 3.

Subd. 2. [CONTENTS OF PLAN.] The plan shall describe:

(a) how technology will be used to provide educational opportunities for people of all ages residing in the district;

(b) goals for implementing the use of technology in the district, including instruction and management uses;

(c) means to achieve these goals, including proposed teacher inservice

training;

(d) procedures for integrating the use of technology into the district's community education program; and

(e) procedures to evaluate and report progress toward the goals.

Subd. 3. [MODEL PLANS.] By December 31, 1983, the department of education, in consultation with the task force, educational cooperative service units, appropriate ESV regional computer services agencies, and the Minnesota educational computing consortium, shall develop model plans and criteria for evaluating district plans. The department may employ consultants and specialists to assist in this effort. The model plans and criteria shall be distributed to districts. The department and regional coordinators employed according to section 5 shall assist in developing district plans, upon request.

Subd. 4. [SUBMISSION OF PLANS.] To be reimbursed for technology utilization planning, a district shall submit its plan to the state board by June 30, 1984 in the form and manner prescribed by the department. A plan submitted for aid purposes may be modified by the district, in consultation with the department, at any time prior to state board action on the plans.

Subd. 5. [APPROVAL OF PLANS.] The state board shall approve or disapprove plans by September 1, 1984.

Subd. 6. [AID FOR PLANNING.] A district whose plan is approved by the state board shall receive 50 cents times average daily membership for the previous school year. Aid shall be paid to districts by October 1, 1984.

Sec. 5. [129B.16] [INSERVICE TRAINING FOR USE OF TECHNOLOGY.]

Subdivision 1. [AID.] A district whose technology utilization plan is approved by the state board according to section 4 is eligible for inservice training aid. The aid amount shall be \$1 times average daily membership for the previous school year.

Subd. 2. [APPLICATIONS.] Applications containing specific training proposals for a district or combination of districts shall be submitted by January 15, 1985, in the form and manner prescribed by the department of education. The department shall approve or disapprove applications within 60 days of receipt. Aid shall be paid within 30 days of approval.

Subd. 3. [STATEWIDE INSERVICE TRAINING.] By June 30, 1985, the department shall conduct regional or statewide inservice training for district staff on the use of technology in instruction. The department may employ consultants or specialists for this purpose, including the regional coordinators according to subdivision 4.

Subd. 4. [REGIONAL COORDINATORS.] In consultation with the task force, education cooperative service units, appropriate ESV regional computer services agencies, and the Minnesota educational computing consortium, the department may contract for regional coordinators with expertise in the use of technology in instruction. Each coordinator shall be based in a particular region but available to service any portion of the state upon request of the department. Among other responsibilities assigned by the de-

partment, a coordinator shall serve as an onsite consultant to a district participating in technology utilization planning and inservice training.

Sec. 6. [129B.18] [MATH AND SCIENCE TRAINING.]

Subdivision 1. [GRANTS.] By February 1, 1984, the state board shall award grants to provide inservice training in mathematics and science to elementary and secondary district staff. The state board shall develop criteria to select recipients for this purpose.

Subd. 2. [APPLICATIONS.] Applications for inservice training grants shall be submitted to the state board by January 1, 1984. A district, education cooperative service unit, institution of higher education, or state agency may apply.

Sec. 7. [129B.20] [TECHNOLOGY DEMONSTRATION SITES.]

Subdivision 1. [SITE DESIGNATION.] By January 15, 1984, the state board shall designate from eight to ten districts as technology demonstration sites and award each district a grant for use during the 1983-84 and 1984-85 school years.

Subd. 2. [CRITERIA FOR SELECTION.] In consultation with the department of education, appropriate ESV regional computer services agencies, and the Minnesota educational computing consortium, the task force shall develop selection criteria for review by the state board. The state board shall establish selection criteria to be distributed to districts by October 1, 1983. Criteria shall include at least the following:

(a) exemplary program of technology utilization existing in the district;

(b) evidence of willingness by district staff and the community to incorporate technology fully into the curriculum to demonstrate new instructional methods;

(c) willingness to match the grant awarded to the district; and

(d) willingness to share educational experiences with other interested parties.

For two of the sites, criteria shall include participation of Minnesota high technology business or industry. Clause (a) shall not be a factor in selection of these sites, one site of which shall be a rural district.

Subd. 3. [SITES THROUGHOUT THE STATE.] The sites shall be located throughout the state in urban, suburban, and rural areas.

Subd. 4. [APPLICATIONS.] Applications for grants shall be submitted to the state board by December 1, 1983 in the form and manner prescribed by the department.

Subd. 5. [RECIPIENT DUTIES AND USE OF MONEYS.] A district selected for a grant shall work cooperatively with the task force, department, higher education institutions in the area, and business and industry, as appropriate. A district selected for a grant shall submit a technology utilization plan according to section 4. The district shall conduct at least one workshop each school year of the grant to demonstrate to other districts and interested parties its use of technology in education. Grant money may be used for equipment, consultants, curriculum development, and teacher training.

Subd. 6. [CONTRIBUTIONS.] The state board and the task force shall seek contributions from public and private sources to supplement the state money for grants for technology demonstration sites. These contributions shall be added to the state money and administered by the state board in the same manner as the state money.

Subd. 7. [EVALUATION OF SITES.] The state board shall evaluate the technology demonstration sites. It may contract with independent evaluators for this purpose.

Sec. 8. [129B.22] [COURSEWARE PACKAGES.]

Subdivision 1. [LIST OF PACKAGES.] By January 1, 1984, the department shall compile, publish, and distribute to districts a list of high quality courseware packages for use in public elementary and secondary schools. Every six months thereafter, the department shall supplement the list with recently reviewed materials.

Subd. 2. [PROCUREMENT.] The department shall obtain courseware packages for evaluation by notifying publishers and inviting them to submit their materials.

Subd. 3. [CRITERIA.] The state board shall develop and adopt criteria and procedures for evaluation of courseware packages, in consultation with the department, task force, appropriate ESV regional computer services agencies, and the Minnesota educational computer consortium. The provisions of chapter 14 shall not apply to the criteria and procedures.

Subd. 4. [EVALUATORS.] The department may employ consultants to evaluate courseware packages and pay them fees based on the size and complexity of the courseware package involved. The evaluators shall certify to the state board that they have no financial interest in the product being evaluated or any similar or competing product.

Subd. 5. [EVALUATION TEAM.] The evaluation team for each courseware package shall include at least one microcomputer professional who is knowledgeable in the software techniques used, and three public school teachers, with expertise in the specific content area, to field test the courseware package in their classrooms. Each evaluation team member shall use the criteria and procedures adopted by the state board and submit a written report to the department upon completion.

Subd. 6. [COURSEWARE PACKAGE EVALUATION.] Based on the reports submitted by evaluation team members, the department shall compute the composite score which ranks the courseware package at a specific level of quality. The results shall be recorded in a standardized format and be available to the public at the department.

Subd. 7. [DISPOSITION.] The department shall maintain a collection of the courseware packages evaluated as high quality. These materials shall be available to the public at the department.

Subd. 8. [REIMBURSEMENT.] A district that purchases courseware packages included on the list shall be reimbursed 25 percent of its expenditure, up to a total of \$2 times average daily membership for the previous school year. A district shall apply to the department for reimbursement by March 15, 1985.

Sec. 9. [129B.24] [PURCHASE OF COURSEWARE DUPLICATION RIGHTS.]

Rights to duplicate courseware packages may be purchased by the department of education if it determines that the courseware packages are high quality, according to the criteria adopted in section 8, and if the courseware packages are available at a lower cost than if purchased by districts individually. The department shall make the courseware packages available to districts without cost, except for costs of printing, handling, and mailing. Districts may be required to supply the blank discs necessary for duplication. The department may contract to distribute the courseware packages.

Sec. 10. [129B.26] [SUMMER INSTITUTES.]

Subdivision 1. [ESTABLISHMENT.] For summer 1984, the department, in consultation with the task force, shall plan and conduct two four-week summer institutes. The institutes shall combine seminars and onsite visitations to explore new applications of high technology. The institutes shall use consultants from business and education as presenters.

Subd. 2. [PARTICIPANTS.] Participants for the institutes shall be selected by the task force. Depending on the availability of private contributions to supplement state moneys, up to 25 teachers and an equal number of students shall be selected to participate in each institute. Every region of the state and every subject area shall have representation among the teachers selected. The task force also shall select business community sponsors to host onsite visitations for teachers and students. Presenters shall be selected by the department in consultation with the task force.

Subd. 3. [PAYMENT.] Each participating teacher shall receive \$2,000 and each participating student shall receive \$200. Teacher participants shall conduct two workshops, at the direction of the department, subsequent to attending the institute.

Subd. 4. [CONTRIBUTIONS.] The state board and the advisory task force shall seek contributions from private or public sources to supplement state money provided for the summer institutes. The contributions shall be administered by the department in the same manner as state money.

Sec. 11. [INCREASE IN COMPLEMENT.]

To implement the provisions of sections 1 to 10, the department of education may increase its complement by two positions: one education specialist II and one clerical support position. The positions are in the classified service of the state civil service.

Sec. 12. [REPORTS TO THE LEGISLATURE.]

By February 1, 1984, the department of education shall report to the education committees of the legislature on the progress of implementing the programs in sections 1 to 10.

By February 1, 1985, the department of education shall report to the education committees of the legislature on preliminary evaluations of the programs and participants in sections 1 to 10.

Sec. 13. [APPROPRIATIONS.]

Subdivision 1. There is appropriated from the general fund to the depart-

ment of education the sums indicated in this section. The sums are available until June 30, 1985.

Subd. 2. [TECHNOLOGY UTILIZATION PLANS.] The sum of \$550,000 is appropriated for the purposes of section 4.

The department of education may use up to \$120,000 of the appropriation for costs of developing model plans and criteria, assisting districts to develop plans, and evaluating the program.

Subd. 3. [INSERVICE TRAINING.] The sum of \$1,500,000 is appropriated for the purposes of section 5. Of the sum, \$343,000 shall be used by the department for inservice training under section 5, subdivision 3, and \$295,000 shall be used for the regional coordinators established under section 5, subdivision 4.

Subd. 4. [MATH AND SCIENCE INSERVICE.] The sum of \$250,000 is appropriated for the purposes of section 6, of which \$42,000 may be used by the department for the costs of administration.

Subd. 5. [TECHNOLOGY DEMONSTRATION SITES.] The sum of \$1,900,000 is appropriated for the purposes of section 7. The department may use up to \$95,000 for costs of administering and evaluating the program. The department shall allocate \$300,000 for partial substitute pay and travel expenses for visitation to demonstration sites from districts within the state for purposes of staff inservice training.

Subd. 6. [COURSEWARE EVALUATION AND INCENTIVES.] The sum of \$1,860,000 is appropriated for the purposes of section 8. The department may use up to \$150,000 of the appropriation for development of criteria, employment of evaluators, and printing and distribution of the courseware package list.

Subd. 7. [PURCHASE OF COURSEWARE DUPLICATION RIGHTS.] The sum of \$200,000 is appropriated for the purposes of section 9.

Subd. 8. [SUMMER INSTITUTES.] The sum of \$100,000 is appropriated for the purposes of section 10, of which not more than \$15,000 may be used for administration.

Subd. 9. [INCREASE IN COMPLEMENT.] The sum of \$125,000 is appropriated for the purposes of section 11.

Sec. 14. [EFFECTIVE DATE.]

Sections 1 to 10 are effective the day following final enactment.

ARTICLE 12

CASH FLOW

Section 1. Minnesota Statutes 1982, section 121.904, subdivision 4a, as amended by Laws 1982, Third Special Session chapter 1, article 3, section 10, is amended to read:

Subd. 4a. [LEVY RECOGNITION.] (a) "School district tax settlement revenue" means the current, delinquent, and manufactured home property tax receipts collected by the county and distributed to the school district, including distributions made pursuant to section 279.37, subdivision 7, and

excluding the amount levied pursuant to section 275.125, subdivision 9a, and Laws 1976, Chapter 20, Section 4.

(b) In June of each year, the school district shall recognize as revenue, in the fund for which the levy was made, the lesser of:

(1) the June and July school district tax settlement revenue received in that calendar year; or

(2) the sum of the state aids and credits enumerated in section 124.155, subdivision 2 which are for the fiscal year payable in that fiscal year; or

(3) thirty-two percent of the amount of the spread levy in the ~~current~~ 1983 calendar year, *and 50 percent of the amount of the spread levy in the current calendar year beginning in 1984 and each year thereafter*, not including levy portions that are assumed by the state, which remains after subtracting, by fund, the amounts levied for the following purposes:

(i) reducing or eliminating projected deficits in the appropriated fund balance accounts for unemployment insurance and bus purchases;

(ii) statutory operating debt pursuant to section 275.125, subdivision 9a, and Laws 1976, Chapter 20, Section 4; and

(iii) retirement and severance pay pursuant to section 275.125, subdivision 6a, and Laws 1975, Chapter 261, Section 4;

(iv) amounts levied for bonds issued and interest thereon, amounts levied for debt service loans and capital loans, and amounts levied pursuant to section 275.125, subdivision 14a.

(c) In July of each year, the school district shall recognize as revenue that portion of the school district tax settlement revenue received in that calendar year and not recognized as revenue for the previous fiscal year pursuant to clause (b).

(d) All other school district tax settlement revenue shall be recognized as revenue in the fiscal year of the settlement. Portions of the school district levy assumed by the state, including prior year adjustments and the amount to fund the school portion of the reimbursement made pursuant to section 273.425, shall be recognized as revenue in the fiscal year beginning in the calendar year for which the levy is payable.

Sec. 2. Minnesota Statutes 1982, section 124.155, subdivision 1, as amended by Laws 1982, Third Special Session chapter 1, article 3, section 2, is amended to read:

Subdivision 1. [AMOUNT OF ADJUSTMENT.] Beginning with fiscal year 1984 and each year thereafter, state aids and credits enumerated in subdivision 2 payable to any school district in a particular fiscal year for that fiscal year shall be adjusted, in the order listed, by an amount equal to (1) the amount the district recognized as revenue for the prior fiscal year pursuant to section 121.904, subdivision 4a, clause (b), as amended by article III, section 1 of Laws 1982, Third Special Session chapter 1, as amended by article 12, section 1 of this act; minus (2) the amount the district recognizes as revenue for the current fiscal year pursuant to section 121.904, subdivision 4a, clause (b), as amended by article III, section 1 of Laws 1982, Third Special Session chapter 1, as amended by article 12, section 1 of this act.

Any loan amount authorized from the cash flow loan fund or payment from the permanent school fund shall not be adjusted pursuant to this section. The school district shall be notified of the amount of the adjustment made to each payment pursuant to this section.

Sec. 3. Minnesota Statutes 1982, section 124.155, subdivision 2, as amended by Laws 1982, Third Special Session chapter 1, article 3, section 3, is amended to read:

Subd. 2. [SUBTRACTION FROM AIDS.] The amount specified in Laws 1981, Third Special Session Chapter 2, Article 4, Section 3, Subdivision 2, as amended by Laws 1982, Chapter 548, Article 7, Section 7, as further amended by article III, section 4 of ~~this act~~ *Laws 1982, Third Special Session chapter 1* shall be subtracted from the following state aids and credits in the order listed in fiscal year 1983. ~~The amount specified in article 12, section 1 of this act shall be subtracted from the following state aids and credits in the order listed in fiscal year 1984.~~ The amount specified in subdivision 1 shall be used to adjust the following state aids and credits in the order listed:

- (a) Foundation aid as authorized in section 124.212, subdivision 1;
- (b) Secondary vocational aid authorized in section 124.573;
- (c) Special education aid authorized in section 124.32;
- (d) Secondary vocational aid for handicapped children authorized in section 124.574;
- (e) Gifted and talented aid authorized in section 124.247;
- (f) Aid for pupils of limited English proficiency authorized in section 124.273;
- (g) Aid for improved learning programs authorized in section 124.251;
- (h) Aid for chemical use programs authorized in section 124.246;
- (i) Transportation aid authorized in section 124.225;
- (j) Community education programs aid authorized in section 124.271;
- (k) Adult education aid authorized in section 124.26;
- (l) Capital expenditure equalization aid authorized in section 124.245;
- (m) Homestead credit authorized in section 273.13, subdivisions 6, 7, and 14a;
- (n) Reduced assessment credit authorized in section 273.139;
- (o) Wetlands credit authorized in section 273.115;
- (p) Native prairie credit authorized in section 273.116; and
- (q) Attached machinery aid authorized in section 273.138, subdivision 3.

The commissioner of education shall schedule the timing of the reductions from state aids and credits specified in Laws 1981, Third Special Session Chapter 2, Article 4, Section 3, Subdivision 2, as amended by Laws 1982, Chapter 548, Article 7, Section 7, as further amended by article III, section 4 of this act, and the adjustments to state aids and credits specified in subdivision 1, as close to the end of the fiscal year as possible and in such a

manner that will minimize the impact of Laws 1981, Third Special Session Chapter 2, Article 4, as amended, on the cash flow needs of the school districts.

Sec. 4. [AMOUNT OF 1984 REDUCTION.]

State aids and credits enumerated in section 124.155, subdivision 2, due any school district in fiscal year 1984 for the 1983-84 school year shall be reduced in the order listed by the following amount: the difference between (1) the amount the district recognizes as revenue for fiscal year 1984 pursuant to section 121.904, subdivision 4a, clause (b), as amended by article 12, section 1 of this act, minus the amount the district received pursuant to section 275.125, subdivision 2d and (2) the amount the district recognized as revenue for fiscal year 1983 pursuant to section 121.904, subdivision 4a, clause (b), as amended by Laws 1982, Third Special Session chapter 1, article III, section 1, minus the amount the district received pursuant to Minnesota Statutes 1982, section 275.125, subdivision 2d. The school district shall be notified of the amount, by fund, of the reductions to each aid payment made according to this section.

Sec. 5. [124.195] [PAYMENT OF AIDS AND CREDITS TO SCHOOL DISTRICTS.]

Subdivision 1. [APPLICABILITY.] This section applies to all aids or credits paid by the commissioner of education from the general fund of the state of Minnesota to school districts for the financing of elementary, secondary, and post-secondary vocational education. The procedures described in subdivision 2 for making disbursements to schools will be used starting in fiscal year 1985.

Subd. 2. [DEFINITION.] The term "other-than-general-fund receipts" means payments by county treasurers pursuant to section 276.10, apportionments from the school endowment fund pursuant to section 124.09, any payments made by the commissioner of education from federal funds, apportionments by the county auditor pursuant to section 124.10, subdivision 2, and payments to school districts by the commissioner of revenue pursuant to sections 294.21 to 294.26 and chapter 298.

Subd. 3. [PAYMENT DATES AND PERCENTAGES.] Beginning in fiscal year 1985 and continuing thereafter, the commissioner of education shall pay to a school district on the days indicated an amount which will provide for the operating funds of the school districts, the indicated percentages from the sum of:

(a) estimated cumulative other-than-general-fund receipts to school operating funds between July 1 and the payment date;

(b) all prior disbursements during the fiscal year of state general fund cash to school operating funds;

(c) 95 percent of the estimated state aids and credits which are paid according to subdivision 10; and

(d) 100 percent of the state aids paid according to subdivisions 8 and 9.

	Payment date	Percentage
Payment 1	First business day prior to July 15:	2.25

Payment 2	First business day prior to July 30:	4.50
Payment 3	First business day prior to August 15:	6.75
Payment 4	First business day prior to August 30:	9.0
Payment 5	First business day prior to September 15:	12.75
Payment 6	First business day prior to September 30:	16.5
Payment 7	First business day prior to October 15: one-half of the final adjustment for the prior fiscal year plus the amount needed to provide 20.75 percent	
Payment 8	First business day prior to October 30: one-half of the final adjustment for the prior fiscal year plus the amount needed to provide 25.0 percent	
Payment 9	First business day prior to November 15:	31.0
Payment 10	First business day prior to November 30:	37.0
Payment 11	First business day prior to December 15:	40.0
Payment 12	First business day prior to December 30:	43.0
Payment 13	First business day prior to January 15:	47.25
Payment 14	First business day prior to January 30:	51.5
Payment 15	First business day prior to February 15:	56.0
Payment 16	First business day prior to February 28:	60.5
Payment 17	First business day prior to March 15:	65.25
Payment 18	First business day prior to March 30:	70.0
Payment 19	First business day prior to April 15:	74.0
Payment 20	First business day prior to April 30:	78.0
Payment 21	First business day prior to May 15:	85.0
Payment 22	First business day prior to May 30:	95.0
Payment 23	First business day prior to June 15:	100.0

Subd. 4. [PAYMENT LIMIT.] Subdivision 3 does not authorize the commissioner of education to pay to a school's operating funds an amount of state general fund cash that exceeds the sum of:

(a) its estimated aid entitlements for the current year according to subdivision 10;

(b) its actual aid entitlements according to subdivisions 8 and 9; and

(c) the final adjustment payment for the prior year.

Subd. 5. [COMMISSIONER'S ASSUMPTIONS.] For purposes of determining the amount of state general fund cash to be paid to schools pursuant to subdivision 3, the commissioner of education shall:

(a) assume that the payments to school districts by the county treasurer pursuant to section 276.10 are made in the following manner:

(1) 50 percent within seven business days of each deadline for payment of ad valorem taxes; and

(2) 100 percent within 14 business days of each deadline for payment of ad valorem taxes;

(b) assume that the payments to school districts by county auditors pursuant to section 124.10, subdivision 2 are made in the months indicated in that subdivision.

Subd. 6. [FINAL ADJUSTMENT PAYMENT.] For all aids and credits paid according to subdivision 10, the final adjustment payment shall include

the amounts necessary to pay the district's full aid entitlement for the prior year based on actual data. This payment shall be used to correct all estimates used for the payment schedule in subdivision 3. The payment shall be made in two installments, during October, as specified in subdivision 3.

Subd. 7. [PAYMENTS TO SCHOOL NONOPERATING FUNDS.] Beginning in fiscal year 1985, state general fund payments to school nonoperating funds shall be made at 95 percent of the estimated entitlement during the fiscal year of the entitlement. The amount of the actual entitlement, after adjustment for actual data, minus the payments made during the fiscal year of the entitlement shall be paid as the final adjustment payment according to subdivision 6.

Subd. 8. [PAYMENT SCHEDULE FOR REIMBURSEMENT AIDS.] The following aids shall be paid at 100 percent of the entitlement for the prior fiscal year: special education summer foundation aid according to section 124.201; abatement aid according to section 124.214, subdivision 2; special education residential aid according to section 124.32, subdivision 5; special education summer school aid, according to section 124.32, subdivision 10; veterans farm management aid, according to section 124.625; early retirement aid according to section 125.611; and extended leave and part-time teacher aids according to chapters 354 and 354A.

Subd. 9. [PAYMENT SCHEDULE FOR CERTAIN AIDS.] The following aids shall be paid at 100 percent of the entitlement for the current fiscal year: AVTI debt service aid, according to section 124.564; school lunch aid, according to section 124.646; teacher institute aid, according to section 1 of article 6; campus laboratory school aid, according to section 18 of article 6; and high technology aids, according to article 11.

Subd. 10. [AID PAYMENT SCHEDULE.] Except as provided in subdivisions 9 and 10, beginning in fiscal year 1985, all education aids in chapters 121, 124, and 125 shall be paid at 95 percent of the estimated entitlement during the fiscal year of the entitlement. The amount of the actual entitlement, after adjustment for actual data, minus the payments made during the fiscal year of the entitlement shall be paid as the final adjustment payment according to subdivision 6.

Sec. 6. [PAYMENT SCHEDULES FOR 1984.]

The following sections are applicable for aids payments for the 1983-1984 school year: sections 124.11, subdivisions 1a, 2a, and 2b; 124.223, subdivision 12; 124.246, subdivision 5; 124.26, subdivision 5; 124.271, subdivision 6; 124.273, subdivision 5; 124.32, subdivision 9a; 124.572, subdivision 8a; 124.573, subdivision 6; 124.574, subdivision 8; and section 13 of this act.

Sec. 7. Minnesota Statutes 1982, section 273.1392, is amended to read:

273.1392 [PAYMENT; AIDS TO SCHOOL DISTRICTS.]

The amounts of homestead credit under section 273.13, subdivisions 6, 7, and 14a; wetlands credit and reimbursement under section 273.115; native prairie credit and reimbursement under section 273.116; disaster or emergency reimbursement under section 273.123; attached machinery aid under section 273.138; reimbursement under section 273.139; and metropolitan

agricultural preserve ~~credit~~ *reduction* under section 473H.10, shall be certified to the department of education by the department of revenue. The amounts so certified shall be paid according to the schedule for payment of foundation aids pursuant to section 124.11 *for fiscal year 1984. The sum sufficient to make the payments required by this section is appropriated from the general fund to the commissioner of education. Beginning in fiscal year 1985, the amounts so certified shall be paid according to article 12, section 5, subdivisions 6 and 10.*"

Delete the title 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; modifying certain components of foundation aid; modifying the method for calculating transportation aid; suspending certain special education rules; providing for community education aid and levy; providing for AVTI instructional aid; providing certain powers to intermediate school districts; modifying certain provisions relating to teacher mobility programs; modifying certain duties of the council on quality education; establishing certain programs relating to high technology; modifying the method of payment of certain aids and credits to school districts and related matters; appropriating money; amending Minnesota Statutes 1982, sections 6.54; 6.62, subdivision 1; 121.15; 120.17, subdivision 3; 121.503; 121.505; 121.904, subdivision 4a, as amended; 121.908; 121.936, by adding a subdivision; 123.32, by adding a subdivision; 123.33, subdivisions 10 and 14; 124.34, subdivision 9; 123.36, subdivisions 9, 13, and by adding a subdivision; 123.37, subdivision 1b; 123.702, subdivision 1a; 123.705; 123.933, subdivision 3; 124.14, subdivision 1; 124.15, subdivision 5; 124.155, subdivisions 1, and 2, as amended; 124.17, subdivision 2d; 124.19, subdivision 3; 124.201, subdivision 2; 124.212, subdivisions 1 and 2; 124.214, subdivision 1; 124.216, subdivision 3; 124.217, subdivision 1; 124.2132, subdivision 1; 124.214, subdivision 2; 124.225; 124.245, by adding a subdivision; 124.246, subdivision 2; 124.247, subdivision 3, and by adding a subdivision; 124.273, subdivision 4; 124.32, subdivisions 3a, 5, and 5a; 124.43, subdivision 1; 124.572, subdivision 2; 124.646, subdivision 1; 125.60, subdivisions 3 and 7; 126.54, subdivision 1; 129B.01, subdivisions 1 and 2; 129B.02; 129B.04; 129B.05; 129B.09, subdivisions 1 and 12; 134.07; 134.08; 134.09; 134.10; 134.11; 134.12; 134.13; 134.14; 134.15; 134.30; 134.32, subdivisions 1 and 7; 134.351, subdivisions 3 and 7; 134.353; 134.36; 273.1392; 275.125, subdivisions 2d, 5, 5b, 9, 11a, 11b, and by adding subdivisions; 354.094, subdivisions 1, 1a, and by adding a subdivision; 354.66, subdivisions 4, 9, and by adding a subdivision; 354A.091, subdivisions 1, 1a, and by adding a subdivision; 354A.094, subdivisions 4, 9, and by adding a subdivision; 375.335; 475.61, subdivision 3; and 648.39, subdivision 1; amending Laws 1967, chapter 822, by adding a section; Laws 1969, chapter 775, section 3, subdivision 2, as amended; section 3, by adding a subdivision; and chapter 1060, by adding sections; Laws 1981, chapter 358, article VII, section 29, as amended; and Laws 1982, chapter 548, article IV, section 21; proposing new law coded in Minnesota Statutes, chapters 121; 124; 124A; 125; 126; 129B; and 134; repealing Minnesota Statutes 1982, sections 122.542; 122.90; 124.2123; 124.2124; 124.2125; 124.2128; 124.24; 124.251; 124.271; 124.273, subdivisions 1 and 2; 124.32, subdivision 1; 124.561; 124.562; 124.5621; 124.5622; 124.5623; 124.5624; 124.5625; 124.5626; 124.5627; 125.60, subdivisions 2a and 7; 129B.09, subdivision 5; 134.03;

134.06; 134.16; 134.19; 134.352; 275.125, subdivisions 6b, 6c, 6d, 7a, 7c, and 8; 354.66, subdivision 9; 354A.094, subdivision 9; and 375.33."

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

SECOND READING OF SENATE BILLS

S.F. Nos. 368, 83, 281, 603, 170, 175, 831, 842, 56, 275, 926, 685, 705, 865, 825, 791, 857, 972, 551, 84, 523, 952, 808, 1015, 210, 1011, 889, 722, 716, 53, 666, 436, 833, 272, 659, 767, 827, 900, 294, 437, 660, 147, 936, 786, 948, 855, 1083, 1104, 784 and 734 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 210, 706, 597, 277, 396, 638, 573 and 430 were read the second time.

MOTIONS AND RESOLUTIONS

Mr. Dicklich moved that the name of Mr. Pogemiller be added as a co-author to S.F. No. 504. The motion prevailed.

Mr. DeCramer moved that his name be stricken as a co-author to S.F. No. 738. The motion prevailed.

Mr. Stumpf moved that the name of Mr. Vega be added as a co-author to S.F. No. 973. The motion prevailed.

Mr. Pehler moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 1079. The motion prevailed.

Mr. Solon moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 1094. The motion prevailed.

Mr. Stumpf moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 1097. The motion prevailed.

Mr. Langseth moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 1103. The motion prevailed.

Mr. Dahl moved that H.F. No. 26 be taken from the table. The motion prevailed.

H.F. No. 26: A bill for an act relating to commerce; consumer protection; requiring the repair, refund, or replacement of new motor vehicles under certain circumstances; proposing new law coded in Minnesota Statutes, chapter 325F.

Mr. Dahl moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 26, 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.

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the General Orders Calendar. The motion prevailed.

GENERAL ORDERS

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

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

S.F. Nos. 292, 234, 609, 844, 403 and H.F. No. 633, which the committee recommends to pass.

H.F. No. 459, which the committee recommends to pass, subject to the following motion:

Mr. Vega moved that the amendment made to H.F. No. 459 by the Committee on Rules and Administration in the report adopted April 6, 1983, pursuant to Rule 49, be stricken. The motion prevailed. So the amendment was stricken.

H.F. No. 406, which the committee recommends to pass with the following amendment offered by Mr. Peterson, R.W.:

Amend H.F. No. 406, as amended pursuant to Rule 49, adopted by the Senate April 7, 1983, as follows:

(The text of the amended House File is identical to S.F. No. 328.)

Amend the title as follows:

Page 1, line 5, delete "section" and insert "sections"

Page 1, line 5, before the period, insert "; and 580.17"

The motion prevailed. So the amendment was adopted.

S.F. No. 92, which the committee recommends to pass with the following amendment offered by Mr. Pogemiller:

Page 1, line 11, after "*subdivisions*," insert "*excluding the metropolitan area as defined in section 473.121, subdivision 2,*"

Page 1, line 12, delete the second "or" and insert "and"

The motion prevailed. So the amendment was adopted.

S.F. No. 611, which the committee recommends to pass with the following amendment offered by Mr. Novak:

Amend the title as follows:

Page 1, line 4, delete "of" and insert "by"

The motion prevailed. So the amendment was adopted.

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

MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the Calendar. The motion prevailed.

CALENDAR

H.F. No. 365: A bill for an act relating to health care facilities; clarifying

the rights and responsibilities of patients and residents; amending Minnesota Statutes 1982, sections 144.651; and 144.652, subdivision 1.

With the unanimous consent of the Senate, Ms. Berglin moved to amend the amendment to H.F. No. 365, adopted by the Senate April 8, 1983, as follows:

Delete the amendment to page 7, line 14, and insert:

“Page 7, line 14, delete everything before “the” and insert “based on the information required in subdivision 9. Residents who refuse treatment, medication, or dietary restrictions shall be informed of”

Delete the amendment to page 7, line 15

Amend the amendment to page 12, line 13, by deleting “after “subdivisions” insert “8,” and”

The motion prevailed. So the amendment was adopted.

H.F. No. 365 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 59 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Jude	Moe, R. D.	Renneke
Anderson	Dicklich	Kamrath	Nelson	Samuelson
Belanger	Diessner	Knaak	Novak	Schmitz
Benson	Dieterich	Knutson	Olson	Spear
Berg	Frank	Kroening	Pehler	Storm
Berglin	Frederick	Laidig	Peterson, D. C.	Stumpf
Bernhagen	Frederickson	Langseth	Peterson, R. W.	Taylor
Bertram	Freeman	Lantry	Petty	Ulland
Brataas	Hughes	Luther	Pogemiller	Waldorf
Chmielewski	Isackson	McQuaid	Purfeerst	Wegscheid
Dahl	Johnson, D. E.	Mehrkens	Ramstad	Willet
Davis	Johnson, D. J.	Moe, D. M.	Reichgott	

Mr. Merriam voted in the negative.

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

S.F. No. 554: A bill for an act relating to housing and redevelopment; providing for the appointment of commissioners of multi-county authorities; amending Minnesota Statutes 1982, section 462.428, subdivision 2.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Jude	Moe, D. M.	Reichgott
Anderson	Dicklich	Kamrath	Moe, R. D.	Renneke
Belanger	Diessner	Knaak	Nelson	Samuelson
Benson	Dieterich	Knutson	Novak	Schmitz
Berg	Frank	Kroening	Olson	Spear
Berglin	Frederick	Laidig	Pehler	Storm
Bernhagen	Frederickson	Langseth	Peterson, D. C.	Stumpf
Bertram	Freeman	Lantry	Peterson, R. W.	Taylor
Brataas	Hughes	Luther	Petty	Ulland
Chmielewski	Isackson	McQuaid	Pogemiller	Waldorf
Dahl	Johnson, D. E.	Mehrkens	Purfeerst	Wegscheid
Davis	Johnson, D. J.	Merriam	Ramstad	Willet

So the bill passed and its title was agreed to.

S.F. No. 282: A bill for an act relating to housing and redevelopment authorities; increasing the per diem compensation for attendance of commissioners at meetings; amending Minnesota Statutes 1982, section 462.441.

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 52 and nays 8, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Knutson	Nelson	Spear
Anderson	Diessner	Kroening	Olson	Storm
Belanger	Dieterich	Laidig	Pehler	Stumpf
Berg	Frank	Langseth	Peterson, D. C.	Taylor
Berglin	Frederick	Lantry	Peterson, R. W.	Ulland
Bernhagen	Freeman	Luther	Petty	Vega
Bertram	Hughes	McQuaid	Pogemiller	Waldorf
Brataas	Johnson, D. E.	Mehrkens	Purfeerst	Willet
Chmielewski	Johnson, D. J.	Merriam	Ramstad	
Dahl	Jude	Moe, D. M.	Reichgott	
DeCramer	Knaak	Moe, R. D.	Samuelson	

Those who voted in the negative were:

Benson	Frederickson	Kamrath	Renneke	Wegscheid
Davis	Isackson	Novak		

So the bill passed and its title was agreed to.

S.F. No. 568: A bill for an act relating to state government; providing for a permanent job sharing program; amending Minnesota Statutes 1982, sections 43A.41, subdivisions 4 and 5; 43A.42; 43A.43, subdivision 2; 43A.44, subdivisions 1 and 2; 43A.45; Laws 1981, chapter 210, section 55, as amended; repealing Minnesota Statutes 1982, sections 43A.41, subdivision 3; and 43A.43, subdivision 1.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Knaak	Novak	Spear
Anderson	Diessner	Knutson	Olson	Storm
Belanger	Dieterich	Kroening	Pehler	Stumpf
Benson	Frank	Laidig	Peterson, D. C.	Taylor
Berg	Frederick	Langseth	Peterson, R. W.	Ulland
Berglin	Frederickson	Lantry	Petty	Vega
Bernhagen	Freeman	Luther	Pogemiller	Waldorf
Bertram	Hughes	McQuaid	Purfeerst	Wegscheid
Brataas	Isackson	Mehrkins	Ramstad	Willet
Chmielewski	Johnson, D.E.	Merriam	Reichgott	
Dahl	Johnson, D.J.	Moe, D. M.	Renneke	
Davis	Jude	Moe, R. D.	Samuelson	
DeCramer	Kamrath	Nelson	Schmitz	

So the bill passed and its title was agreed to.

H.F. No. 25: A bill for an act relating to the city of Lake Park; authorizing the issuance of general obligation bonds to finance construction of municipal facilities.

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 58 and nays 2, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Jude	Nelson	Schmitz
Anderson	Dicklich	Kamrath	Novak	Spear
Belanger	Diessner	Knaak	Olson	Storm
Benson	Dieterich	Knutson	Peterson, D. C.	Stumpf
Berg	Frank	Kroening	Peterson, R. W.	Taylor
Berglin	Frederick	Laidig	Petty	Ulland
Bernhagen	Frederickson	Langseth	Pogemiller	Vega
Bertram	Freeman	Lantry	Purfeerst	Waldorf
Brataas	Hughes	Luther	Ramstad	Wegscheid
Chmielewski	Isackson	McQuaid	Reichgott	Willet
Dahl	Johnson, D.E.	Mehrkins	Renneke	
Davis	Johnson, D.J.	Moe, R. D.	Samuelson	

Messrs. Merriam and Pehler voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 358: A bill for an act relating to counties; permitting changes to appointed coroners, medical examiners, and death investigations in certain conditions; amending Minnesota Statutes 1982, sections 390.005, by adding a subdivision; and 390.35.

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 60 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Jude	Moe, R. D.	Renneke
Anderson	Dicklich	Kamrath	Nelson	Samuelson
Belanger	Diessner	Knaak	Novak	Schmitz
Benson	Dieterich	Knutson	Olson	Spear
Berg	Frank	Kroening	Pehler	Storm
Berglin	Frederick	Laidig	Peterson, D. C.	Stumpf
Bernhagen	Frederickson	Langseth	Peterson, R. W.	Taylor
Bertram	Freeman	Lantry	Petty	Ulland
Brataas	Hughes	Luther	Pogemiller	Vega
Chmielewski	Isackson	McQuaid	Purfeerst	Waldorf
Dahl	Johnson, D.E.	Mehrkens	Ramstad	Wegscheid
Davis	Johnson, D.J.	Merriam	Reichgott	Willet

So the bill passed and its title was agreed to.

S.F. No. 627: A bill for an act relating to the Minnesota humane society; providing for appointment of the executive director by the governor; amending Minnesota Statutes 1982, section 343.01, subdivision 3.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 39 and nays 20, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Knaak	Moe, R. D.	Samuelson
Belanger	Diessner	Kroening	Nelson	Schmitz
Bernhagen	Dieterich	Laidig	Novak	Spear
Bertram	Freeman	Langseth	Peterson, D. C.	Stumpf
Chmielewski	Hughes	Lantry	Peterson, R. W.	Vega
Dahl	Johnson, D.E.	Luther	Petty	Wegscheid
Davis	Johnson, D.J.	McQuaid	Pogemiller	Willet
DeCramer	Jude	Merriam	Reichgott	

Those who voted in the negative were:

Anderson	Frank	Kamrath	Pehler	Storm
Benson	Frederick	Knutson	Purfeerst	Taylor
Berglin	Frederickson	Mehrkens	Ramstad	Ulland
Brataas	Isackson	Olson	Renneke	Waldorf

So the bill passed and its title was agreed to.

S.F. No. 513: A bill for an act relating to education; authorizing the state board for vocational education, the state board for community colleges, and the state university board to close institutions in their respective systems; amending Minnesota Statutes 1982, sections 121.21, subdivision 4; 136.03; and 136.62, by adding a subdivision.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 41 and nays 19, as follows:

Those who voted in the affirmative were:

Adkins	Dieterich	Lantry	Peterson, R. W.	Taylor
Belanger	Frank	Luther	Petty	Ulland
Berglin	Freeman	Merriam	Pogemiller	Vega
Bertram	Hughes	Moe, D. M.	Purfeerst	Waldorf
Brataas	Johnson, D.E.	Moe, R. D.	Ramstad	Willet
Dahl	Johnson, D.J.	Nelson	Reichgott	
Davis	Jude	Olson	Schmitz	
Dicklich	Kroening	Pehler	Spear	
Diessner	Langseth	Peterson, D. C.	Stumpf	

Those who voted in the negative were:

Anderson	Chmielewski	Isackson	Laidig	Samuelson
Benson	DeCramer	Kamrath	McQuaid	Storm
Berg	Frederick	Knaak	Novak	Wegscheid
Bernhagen	Frederickson	Knutson	Renneke	

So the bill passed and its title was agreed to.

S.F. No. 339: A bill for an act relating to taxation; real property; extending the homestead credit to certain noncontiguous property; amending Minnesota Statutes 1982, sections 273.13, subdivision 7; and 290A.03, subdivision 6.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 59 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Kamrath	Moe, R. D.	Samuelson
Anderson	Diessner	Knaak	Nelson	Schmitz
Belanger	Dieterich	Knutson	Novak	Spear
Benson	Frank	Kroening	Olson	Storm
Berg	Frederick	Laidig	Pehler	Stumpf
Berglin	Frederickson	Langseth	Peterson, D.C.	Taylor
Bernhagen	Freeman	Lantry	Peterson, R.W.	Ulland
Bertram	Hughes	Luther	Petty	Vega
Brataas	Isackson	McQuaid	Pogemiller	Waldorf
Chmielewski	Johnson, D.E.	Mehrkins	Purfeerst	Wegscheid
Dahl	Johnson, D.J.	Merriam	Ramstad	Willet
DeCramer	Jude	Moe, D. M.	Reichgott	

Mr. Davis voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 332: A bill for an act relating to financial institutions; banks; authorizing the leasing of personal property to employees, stockholders, directors, or officers; amending Minnesota Statutes 1982, section 48.152, subdivision 8; repealing Minnesota Statutes 1982, section 48.152, subdivision 9.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 59 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Jude	Moe, R. D.	Samuelson
Anderson	Dicklich	Kamrath	Nelson	Schmitz
Belanger	Diessner	Knaak	Novak	Spear
Benson	Dieterich	Kroening	Olson	Storm
Berg	Frank	Laidig	Pehler	Stumpf
Berglin	Frederick	Langseth	Peterson, D.C.	Taylor
Bernhagen	Frederickson	Lantry	Peterson, R.W.	Ulland
Bertram	Freeman	Luther	Petty	Vega
Brataas	Hughes	McQuaid	Purfeerst	Waldorf
Chmielewski	Isackson	Mehrkins	Ramstad	Wegscheid
Dahl	Johnson, D.E.	Merriam	Reichgott	Willet
Davis	Johnson, D.J.	Moe, D. M.	Renneke	

Mr. Knutson voted in the negative.

So the bill passed and its title was agreed to.

H.F. No. 176: A bill for an act relating to financial institutions; providing that Small Business Administration guaranteed loans are collateral for public deposits; amending Minnesota Statutes 1982, section 118.01, subdivision 1.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 59 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Jude	Moe, D. M.	Samuelson
Anderson	Dicklich	Kamrath	Moe, R. D.	Schmitz
Belanger	Diessner	Knaak	Nelson	Spear
Benson	Dieterich	Knutson	Olson	Storm
Berg	Frank	Kroening	Pehler	Stumpf
Berglin	Frederick	Laidig	Peterson, D.C.	Taylor
Bernhagen	Frederickson	Langseth	Peterson, R.W.	Ulland
Bertram	Freeman	Lantry	Petty	Vega
Brataas	Hughes	Luther	Purfeerst	Waldorf
Chmielewski	Isackson	McQuaid	Ramstad	Wegscheid
Dahl	Johnson, D.E.	Mehrkens	Reichgott	Willet
Davis	Johnson, D.J.	Merriam	Renneke	

So the bill passed and its title was agreed to.

S.F. No. 639: A bill for an act relating to energy; changing a cross-reference for nonpublic data reporting; amending the definition of "earth sheltered"; changing the due date of biennial energy reports; amending Minnesota Statutes 1982, sections 13.68, subdivision 1; 116J.06, subdivision 2; and 116J.18, subdivision 1.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Jude	Moe, R. D.	Renneke
Anderson	Dicklich	Kamrath	Nelson	Samuelson
Belanger	Diessner	Knaak	Novak	Schmitz
Benson	Dieterich	Knutson	Olson	Spear
Berg	Frank	Kroening	Pehler	Storm
Berglin	Frederick	Laidig	Peterson, D.C.	Stumpf
Bernhagen	Frederickson	Langseth	Peterson, R.W.	Taylor
Bertram	Freeman	Lantry	Petty	Ulland
Brataas	Hughes	Luther	Pogemiller	Vega
Chmielewski	Isackson	McQuaid	Purfeerst	Waldorf
Dahl	Johnson, D.E.	Mehrkens	Ramstad	Wegscheid
Davis	Johnson, D.J.	Merriam	Reichgott	Willet

So the bill passed and its title was agreed to.

S.F. No. 645: A resolution memorializing the President and Congress to authorize the issuance of qualified mortgage bonds beyond the current expiration date of December 31, 1983.

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

The question was taken on the passage of the resolution.

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Jude	Moe, D. M.	Renneke
Anderson	Dicklich	Kamrath	Moe, R. D.	Samuelson
Belanger	Diessner	Knaak	Nelson	Schmitz
Benson	Dieterich	Knutson	Novak	Spear
Berg	Frank	Kroening	Olson	Storm
Berglin	Frederick	Laidig	Pehler	Stumpf
Bernhagen	Frederickson	Langseth	Peterson, D. C.	Taylor
Bertram	Freeman	Lantry	Peterson, R. W.	Ulland
Brataas	Hughes	Luther	Petty	Vega
Chmielewski	Isackson	McQuaid	Pogemiller	Waldorf
Dahl	Johnson, D. E.	Mehrkens	Ramstad	Wegscheid
Davis	Johnson, D. J.	Merriam	Reichgott	Willet

So the resolution passed and its title was agreed to.

H.F. No. 529: A bill for an act relating to crimes; providing that acquittal or conviction of the crime of kidnapping does not bar conviction for any other crime committed during the time of the victim's confinement; amending Minnesota Statutes 1982, section 609.035; proposing new law coded in Minnesota Statutes, chapter 609.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Knaak	Novak	Spear
Anderson	Diessner	Knutson	Olson	Storm
Belanger	Dieterich	Kroening	Pehler	Stumpf
Benson	Frank	Laidig	Peterson, D. C.	Taylor
Berg	Frederick	Langseth	Peterson, R. W.	Ulland
Berglin	Frederickson	Lantry	Petty	Vega
Bernhagen	Freeman	Luther	Pogemiller	Waldorf
Bertram	Hughes	McQuaid	Purfeerst	Wegscheid
Brataas	Isackson	Mehrkens	Ramstad	Willet
Chmielewski	Johnson, D. E.	Merriam	Reichgott	
Dahl	Johnson, D. J.	Moe, D. M.	Renneke	
Davis	Jude	Moe, R. D.	Samuelson	
DeCramer	Kamrath	Nelson	Schmitz	

So the bill passed and its title was agreed to.

S.F. No. 7: A bill for an act relating to St. Louis County; providing for the tort liability of the St. Louis County Promotional Bureau.

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 50 and nays 8, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Jude	Moe, D. M.	Reichgott
Anderson	DeCramer	Kamrath	Moe, R. D.	Renneke
Belanger	Dicklich	Knaak	Nelson	Samuelson
Berg	Diessner	Kroening	Novak	Schmitz
Berglin	Frank	Laidig	Olson	Spear
Bernhagen	Frederick	Langseth	Pehler	Storm
Bertram	Freeman	Lantry	Peterson, D.C.	Stumpf
Brataas	Hughes	Luther	Petty	Ulland
Chmielewski	Johnson, D.E.	McQuaid	Purfeerst	Vega
Dahl	Johnson, D.J.	Mehrkins	Ramstad	Willet

Those who voted in the negative were:

Benson	Frederickson	Knutson	Peterson, R.W.	Pogemiller
Dieterich	Isackson	Merriam		

So the bill passed and its title was agreed to.

H.F. No. 342: A bill for an act relating to the board of dentistry; increasing the board's powers in relation to disciplinary actions; exempting certain registered occupations from business licensing review; amending Minnesota Statutes 1982, sections 116J.70, subdivision 2a; 150A.01, by adding a subdivision; 150A.05, subdivision 2; 150A.06; 150A.08, subdivisions 1, 3, and by adding subdivisions; 150A.09; and repealing Laws 1976, chapter 263, section 6, subdivision 2.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 59 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Kamrath	Moe, R. D.	Renneke
Anderson	Dicklich	Knaak	Nelson	Schmitz
Belanger	Diessner	Knutson	Novak	Spear
Benson	Frank	Kroening	Olson	Storm
Berg	Frederick	Laidig	Pehler	Stumpf
Berglin	Frederickson	Langseth	Peterson, D.C.	Taylor
Bernhagen	Freeman	Lantry	Peterson, R.W.	Ulland
Bertram	Hughes	Luther	Petty	Vega
Brataas	Isackson	McQuaid	Pogemiller	Waldorf
Chmielewski	Johnson, D.E.	Mehrkins	Purfeerst	Wegscheid
Dahl	Johnson, D.J.	Merriam	Ramstad	Willet
Davis	Jude	Moe, D. M.	Reichgott	

So the bill passed and its title was agreed to.

H.F. No. 171: A bill for an act relating to public cemeteries; providing for simplified reinvestment in the cemetery association of certain unused cemetery land; amending Minnesota Statutes 1982, section 306.241; proposing new law coded in Minnesota Statutes, chapter 306.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Knaak	Novak	Spear
Anderson	Diessner	Knutson	Olson	Storm
Belanger	Dieterich	Kroening	Pehler	Stumpf
Benson	Frank	Laidig	Peterson, D.C.	Taylor
Berg	Frederick	Langseth	Peterson, R.W.	Ulland
Berglin	Frederickson	Lantry	Petty	Vega
Bernhagen	Freeman	Luther	Pogemiller	Waldorf
Bertram	Hughes	McQuaid	Purfeerst	Wegscheid
Brataas	Isackson	Mehrkens	Ramstad	Willet
Chmielewski	Johnson, D.E.	Merriam	Reichgott	
Dahl	Johnson, D.J.	Moe, D. M.	Renneke	
Davis	Jude	Moe, R. D.	Samuelson	
DeCramer	Kamrath	Nelson	Schmitz	

So the bill passed and its title was agreed to.

S.F. No. 621: A bill for an act relating to state government; allowing the acceptance of gifts to the state without the governor's approval; authorizing the commissioner of administration to rent state property without the governor's approval; authorizing the state to transfer surplus state property to local units of government; allowing the governor and lieutenant governor to use unmarked state cars; regulating the state building code's application to hospitals; amending Minnesota Statutes 1982, sections 7.09, subdivision 1; 16.02, subdivisions 14 and 18; 16.75, subdivision 7; 16.753, subdivision 5; and 16.851, subdivision 3.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Adkins	Davis	Jude	Novak	Schmitz
Anderson	DeCramer	Kroening	Olson	Spear
Belanger	Dicklich	Langseth	Pehler	Storm
Benson	Diessner	Lantry	Peterson, D.C.	Stumpf
Berglin	Dieterich	Luther	Peterson, R.W.	Taylor
Bernhagen	Frederick	McQuaid	Petty	Ulland
Bertram	Freeman	Mehrkens	Purfeerst	Vega
Brataas	Hughes	Merriam	Ramstad	Waldorf
Chmielewski	Isackson	Moe, R. D.	Reichgott	Wegscheid
Dahl	Johnson, D.J.	Nelson	Samuelson	Willet

Those who voted in the negative were:

Berg	Frederickson	Kamrath	Laidig	Pogemiller
Frank	Johnson, D.E.	Knaak	Moe, D. M.	Renneke

So the bill passed and its title was agreed to.

S.F. No. 338: A bill for an act relating to motor vehicles; maintaining the maximum interest rate on certain loans under the Motor Vehicle Retail Installment Sales Act at the current rate; amending Minnesota Statutes 1982, section 168.72, subdivision 2.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 47 and nays 12, as follows:

Those who voted in the affirmative were:

Adkins	Diessner	Knutson	Novak	Storm
Anderson	Frederick	Laidig	Olson	Stumpf
Belanger	Frederickson	Langseth	Peterson, R. W.	Taylor
Benson	Freeman	Lantry	Petty	Ulland
Bernhagen	Hughes	Luther	Pogemiller	Vega
Bertram	Isackson	McQuaid	Ramstad	Waldorf
Brataas	Johnson, D.E.	Mehrkins	Reichgott	Willet
Chmielewski	Jude	Merriam	Renneke	
Dahl	Kamrath	Moe, R. D.	Samuelson	
DeCramer	Knaak	Nelson	Schmitz	

Those who voted in the negative were:

Berglin	Dieterich	Kroening	Peterson, D.C.	Spear
Davis	Frank	Pehler	Purfeerst	Wegscheid
Dicklich	Johnson, D.J.			

So the bill passed and its title was agreed to.

S.F. No. 530: A bill for an act relating to the city of Roseville; providing an exception from the Roseville police civil service system for the chief and deputy chief of police.

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 58 and nays 3, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Kamrath	Novak	Schmitz
Anderson	Diessner	Knaak	Olson	Spear
Belanger	Dieterich	Knutson	Pehler	Storm
Berg	Frank	Kroening	Peterson, D.C.	Stumpf
Berglin	Frederick	Laidig	Peterson, R.W.	Taylor
Bernhagen	Frederickson	Langseth	Petty	Ulland
Bertram	Freeman	Lantry	Pogemiller	Vega
Brataas	Hughes	Luther	Purfeerst	Waldorf
Chmielewski	Isackson	McQuaid	Ramstad	Wegscheid
Dahl	Johnson, D.E.	Mehrkins	Reichgott	Willet
Davis	Johnson, D.J.	Moe, R. D.	Renneke	
DeCramer	Jude	Nelson	Samuelson	

Messrs. Benson, Merriam and Moe, D. M. voted in the negative.

So the bill passed and its title was agreed to.

H.F. No. 30: A bill for an act relating to veterans affairs; providing residents of the Minnesota veterans home with a right to complain about home accommodations and services; prohibiting retaliatory eviction of residents who exercise their right to complain; proposing new law coded in Minnesota Statutes, chapter 198.

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 60 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Jude	Moe, R. D.	Renneke
Anderson	Dicklich	Kamrath	Nelson	Samuelson
Belanger	Diessner	Knaak	Novak	Schmitz
Benson	Dieterich	Knutson	Olson	Spear
Berg	Frank	Kroening	Pehler	Storm
Berglin	Frederick	Laidig	Peterson, D.C.	Stumpf
Bernhagen	Frederickson	Lantry	Peterson, R.W.	Taylor
Bertram	Freeman	Luther	Petty	Ulland
Brataas	Hughes	McQuaid	Pogemiller	Vega
Chmielewski	Isackson	Mehrkins	Purfeerst	Waldorf
Dahl	Johnson, D.E.	Merriam	Ramstad	Wegscheid
Davis	Johnson, D.J.	Moe, D. M.	Reichgott	Willet

So the bill passed and its title was agreed to.

S.F. No. 280: A bill for an act relating to data privacy; establishing standards and procedures for the release of financial information; proposing new law coded as Minnesota Statutes, chapter 13A.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 55 and nays 5, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Johnson, D.J.	Moe, R. D.	Renneke
Anderson	Dicklich	Jude	Nelson	Samuelson
Belanger	Diessner	Kroening	Novak	Schmitz
Benson	Dieterich	Laidig	Olson	Spear
Berg	Frank	Langseth	Pehler	Storm
Berglin	Frederick	Lantry	Peterson, D.C.	Stumpf
Bernhagen	Frederickson	Luther	Peterson, R.W.	Taylor
Brataas	Freeman	McQuaid	Petty	Ulland
Chmielewski	Hughes	Mehrkins	Purfeerst	Vega
Dahl	Isackson	Merriam	Ramstad	Waldorf
Davis	Johnson, D.E.	Moe, D. M.	Reichgott	Willet

Those who voted in the negative were:

Bertram	Kamrath	Knaak	Knutson	Wegscheid
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So the bill passed and its title was agreed to.

H.F. No. 325: A bill for an act relating to real property; revising and clarifying certain provisions relating to the registration of real property; amending Minnesota Statutes 1982, sections 508.03; 508.06; 508.08; 508.16, subdivision 2; 508.22; 508.23, by adding a subdivision; 508.24, subdivision 2; 508.25; 508.35; 508.36; 508.47, subdivision 6; 508.48; 508.49; 508.50; 508.55; 508.60; 508.62; 508.65; 508.71; 508.82; 508A.01, subdivision 1; 508A.06; 508A.17, subdivision 1; 508A.25; 508A.35; 508A.47, subdivision 6; 508A.48; 508A.49; 508A.50; 508A.55; 508A.62; 508A.65; 508A.71; 508A.82; proposing new law coded in Minnesota Statutes, chapters 508 and 508A; repealing Minnesota Statutes, sections 508.41; 508.42; 508A.41; and 508A.42.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Knaak	Novak	Spear
Anderson	Diessner	Knutson	Olson	Storm
Belanger	Dieterich	Kroening	Pehler	Stumpf
Benson	Frank	Laidig	Peterson, D. C.	Taylor
Berg	Frederick	Langseth	Peterson, R. W.	Ulland
Berglin	Frederickson	Lantry	Petty	Vega
Bernhagen	Freeman	Luther	Pogemiller	Waldorf
Bertram	Hughes	McQuaid	Purfeerst	Wegscheid
Brataas	Isackson	Mehrkens	Ramstad	Willet
Chmielewski	Johnson, D. E.	Merriam	Reichgott	
Dahl	Johnson, D. J.	Moe, D. M.	Renneke	
Davis	Jude	Moe, R. D.	Samuelson	
DeCramer	Kamrath	Nelson	Schmitz	

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the General Orders Calendar. The motion prevailed.

GENERAL ORDERS

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

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

S.F. Nos. 684, 204, 746, 591, 402, 346 and 238, which the committee recommends to pass.

S.F. No. 263, which the committee recommends to pass with the following amendment offered by Mrs. Lantry:

Page 4, line 3, after "and" insert "*which are issued or renewed*"

Page 5, line 1, after "roles" insert "*as nurse anesthetists or nurse mid-wives*"

Page 5, line 6, delete everything after the period

Page 5, delete lines 7 to 9

The motion prevailed. So the amendment was adopted.

H.F. No. 132, which the committee recommends to pass with the following amendment offered by Mr. Merriam:

Amend H.F. No. 132, as amended pursuant to Rule 49, adopted by the Senate April 6, 1983, as follows:

(The text of the amended House File is identical to S.F. No. 108.)

Page 1, line 13, before "the" insert "*not less than*"

The motion prevailed. So the amendment was adopted.

H.F. No. 381, which the committee recommends to pass with the following amendments offered by Messrs. Petty and DeCramer:

Mr. Petty moved to amend H.F. No. 381, as amended pursuant to

Rule 49, adopted by the Senate March 24, 1983, as follows:

(The text of the amended House File is identical to S.F. No. 448.)

Page 48, line 1, delete “12” and insert “10”

The motion prevailed. So the amendment was adopted.

Mr. Petty then moved to amend the amendment placed on H.F. No. 381 pursuant to Rule 49, adopted by the Senate March 24, 1983, as follows:

Page 1, line 15, delete “, and insert:”

Page 1, delete lines 16 to 32

Page 1, before line 33, insert:

“Page 15, delete lines 9 to 17”

Page 3, after line 14, insert:

“Page 52, line 26, delete “section” and insert “sections””

Page 3, after line 16, insert:

“Page 52, line 28, delete “section” and insert “sections””

Page 3, after line 30, insert:

“Page 53, line 11, delete “13” and insert “12””

Page 4, after line 11, insert:

“Page 1, line 23, delete “section” and insert “sections””

The motion prevailed. So the amendment was adopted.

Mr. DeCramer moved to amend H.F. No. 381, as amended pursuant to Rule 49, adopted by the Senate March 24, 1983, as follows:

(The text of the amended House File is identical to S.F. No. 448.)

Page 4, line 8, delete “and”

Page 4, line 9, after “97-473” insert “and the Payment-in-Kind Tax Treatment Act of 1983, Public Law Number 98-4”

Page 45, line 32, delete “January 15” and insert “March 12”

Page 47, line 17, delete “December 31, 1982” and insert “March 12, 1983”

The motion prevailed. So the amendment was adopted.

Mr. Frederick moved to amend H.F. No. 381, as amended pursuant to Rule 49, adopted by the Senate March 24, 1983, as follows:

(The text of the amended House File is identical to S.F. No. 448.)

Page 7, line 31, strike “The amount of contributions to an individual”

Page 7, lines 32 to 36, strike the old language and delete the new language

Page 8, strike lines 1 and 2

Page 8, line 3, strike “(26)”

Page 8, line 7, strike “(27)” and insert “(26)”

Page 47, line 32, delete everything after "1982"

Page 47, delete line 33

Page 47, line 34, delete "after December 31, 1981"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 24 and nays 39, as follows:

Those who voted in the affirmative were:

Adkins	Bernhagen	Johnson, D.E.	Laidig	Renneke
Anderson	Brataas	Jude	McQuaid	Storm
Belanger	Frederick	Kamrath	Mehrkens	Taylor
Benson	Frederickson	Knaak	Olson	Ulland
Berg	Isackson	Knutson	Ramstad	

Those who voted in the negative were:

Berglin	Dieterich	Lessard	Peterson, C.C.	Schmitz
Bertram	Frank	Luther	Peterson, D.C.	Spear
Chmielewski	Freeman	Merriam	Peterson, R.W.	Stumpf
Dahl	Hughes	Moe, D. M.	Petty	Vega
Davis	Johnson, D.J.	Moe, R. D.	Pogemiller	Waldorf
DeCramer	Kroening	Nelson	Purfeerst	Wegscheid
Dicklich	Langseth	Novak	Reichgott	Willet
Diessner	Lantry	Pehler	Samuelson	

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

S.F. No. 416, which the committee recommends to pass with the following amendment offered by Mr. Mehrkens:

Page 1, after line 15, insert:

"Sec. 2. [INSTRUCTIONS TO THE REVISOR.]

If a bill styled as H.F. No. 552 is enacted and if Minnesota Statutes 1982, section 205.03, is repealed, the revisor of statutes shall substitute "section 205.175" for "section 205.03" wherever it appears in section 1 of this act."

Renumber the sections in sequence

The motion prevailed. So the amendment was adopted.

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

MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the Calendar. The motion prevailed.

CALENDAR

H.F. No. 231: A bill for an act relating to motor vehicles; increasing the time for the validity of temporary registration permits to 21 days; amending Minnesota Statutes 1982, section 168.092, subdivision 1.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Knaak	Novak	Schmitz
Anderson	Diessner	Knutson	Olson	Spear
Belanger	Dieterich	Kroening	Pehler	Storm
Benson	Frank	Laidig	Peterson, C.C.	Stumpf
Berg	Frederick	Langseth	Peterson, D.C.	Taylor
Berglin	Frederickson	Lantry	Peterson, R.W.	Ulland
Bernhagen	Freeman	Lessard	Petty	Vega
Bertram	Hughes	Luther	Pogemiller	Waldorf
Brataas	Isackson	McQuaid	Purfeerst	Wegscheid
Chmielewski	Johnson, D.E.	Mehrkins	Ramstad	Willet
Dahl	Johnson, D.J.	Merriam	Reichgott	
Davis	Jude	Moe, R. D.	Renneke	
DeCramer	Kamrath	Nelson	Samuelson	

So the bill passed and its title was agreed to.

S.F. No. 673: A bill for an act relating to motor vehicles; providing for handicapped persons to obtain special plates for recreational vehicles; amending Minnesota Statutes 1982, section 168.021, subdivision 1.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Knaak	Novak	Schmitz
Anderson	Diessner	Knutson	Olson	Spear
Belanger	Dieterich	Kroening	Pehler	Storm
Benson	Frank	Laidig	Peterson, C.C.	Stumpf
Berg	Frederick	Lantry	Peterson, D.C.	Taylor
Berglin	Frederickson	Lessard	Peterson, R.W.	Ulland
Bernhagen	Freeman	Luther	Petty	Vega
Bertram	Hughes	McQuaid	Pogemiller	Waldorf
Brataas	Isackson	Mehrkins	Purfeerst	Wegscheid
Chmielewski	Johnson, D.E.	Merriam	Ramstad	Willet
Dahl	Johnson, D.J.	Moe, D. M.	Reichgott	
Davis	Jude	Moe, R. D.	Renneke	
DeCramer	Kamrath	Nelson	Samuelson	

So the bill passed and its title was agreed to.

S.F. No. 699: A bill for an act relating to highway traffic regulations; regulating the use of materials on the windshields, side windows, and rear windows of motor vehicles; amending Minnesota Statutes 1982, section 169.71, by adding a subdivision.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 45 and nays 17, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Jude	Nelson	Schmitz
Anderson	Dicklich	Knaak	Novak	Spear
Belanger	Diessner	Kroening	Olson	Storm
Berglin	Frank	Laidig	Peterson, C. C.	Stumpf
Bertram	Frederickson	Langseth	Peterson, D. C.	Taylor
Brataas	Freeman	Lantry	Peterson, R. W.	Vega
Chmielewski	Hughes	Lessard	Petty	Waldorf
Dahl	Johnson, D. E.	Luther	Purfeerst	Wegscheid
Davis	Johnson, D. J.	McQuaid	Samuelson	Willet

Those who voted in the negative were:

Benson	Isackson	Merriam	Pogemiller	Ulland
Berg	Kamrath	Moe, D. M.	Ramstad	
Bernhagen	Knutson	Moe, R. D.	Reichgott	
Frederick	Mehrkins	Pehler	Renneke	

So the bill passed and its title was agreed to.

S.F. No. 723: A bill for an act relating to public welfare; providing guidelines for considering race and ethnic origin in foster care and adoption placement; requiring recruitment, periodic review, reporting, and record-keeping; providing for a voluntary task force; amending Minnesota Statutes 1982, sections 257.01; 257.071, subdivision 2, and by adding subdivisions; 259.27, subdivisions 1 and 2; 259.28; 260.181, subdivision 3; 260.191, subdivision 1; 260.192; and 260.242, by adding a subdivision; proposing new law coded in Minnesota Statutes, chapters 257 and 259.

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 43 and nays 19, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Jude	Moe, R. D.	Reichgott
Belanger	Diessner	Knutson	Nelson	Renneke
Benson	Dieterich	Kroening	Novak	Spear
Berglin	Frank	Langseth	Peterson, C. C.	Storm
Brataas	Frederick	Lantry	Peterson, D. C.	Ulland
Chmielewski	Frederickson	Luther	Peterson, R. W.	Waldorf
Dahl	Hughes	McQuaid	Petty	Wegscheid
Davis	Isackson	Merriam	Pogemiller	
DeCramer	Johnson, D. J.	Moe, D. M.	Ramstad	

Those who voted in the negative were:

Anderson	Freeman	Laidig	Purfeerst	Taylor
Berg	Johnson, D. E.	Lessard	Samuelson	Vega
Bernhagen	Kamrath	Mehrkins	Schmitz	Willet
Bertram	Knaak	Pehler	Stumpf	

So the bill passed and its title was agreed to.

H.F. No. 552: A bill for an act relating to elections; recodifying the municipal elections law; amending Minnesota Statutes 1982, sections 205.02; 205.07, subdivision 1; 205.10; 205.13; 205.16; 205.17; 205.20; and 205.84; proposing new law coded in Minnesota Statutes, chapter 205; repealing Minnesota Statutes 1982, sections 205.03; 205.04; 205.11; 205.14; 205.15; 205.19; and 205.21.

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 63 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Knaak	Nelson	Samuelson
Anderson	Diessner	Knutson	Novak	Schmitz
Belanger	Dieterich	Kroening	Olson	Spear
Benson	Frank	Laidig	Pehler	Storm
Berg	Frederick	Langseth	Peterson, C.C.	Stumpf
Berglin	Frederickson	Lantry	Peterson, D.C.	Taylor
Bernhagen	Freeman	Lessard	Peterson, R.W.	Ulland
Bertram	Hughes	Luther	Petty	Vega
Brataas	Isackson	McQuaid	Pogemiller	Waldorf
Chmielewski	Johnson, D.E.	Mehrkens	Purfeerst	Wegscheid
Dahl	Johnson, D.J.	Merriam	Ramstad	Willet
Davis	Jude	Moe, D.M.	Reichgott	
DeCramer	Kamrath	Moe, R.D.	Renneke	

So the bill passed and its title was agreed to.

H.F. No. 576: A bill for an act relating to insurance; health and accident; providing coverage for adopted children from the date of placement for adoption; proposing new law coded in Minnesota Statutes, chapter 62A.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 2, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Kroening	Olson	Spear
Anderson	Diessner	Laidig	Pehler	Storm
Belanger	Dieterich	Langseth	Peterson, C.C.	Stumpf
Benson	Frank	Lantry	Peterson, D.C.	Taylor
Berg	Frederickson	Lessard	Peterson, R.W.	Ulland
Berglin	Freeman	Luther	Petty	Vega
Bernhagen	Hughes	McQuaid	Pogemiller	Waldorf
Bertram	Isackson	Mehrkens	Purfeerst	Wegscheid
Brataas	Johnson, D.E.	Merriam	Ramstad	Willet
Chmielewski	Johnson, D.J.	Moe, D. M.	Reichgott	
Dahl	Jude	Moe, R. D.	Renneke	
Davis	Kamrath	Nelson	Samuelson	
DeCramer	Knaak	Novak	Schmitz	

Messrs. Frederick and Knutson voted in the negative.

So the bill passed and its title was agreed to.

H.F. No. 413: A bill for an act relating to the city of Edina; allowing the city to make special assessments against certain benefited property.

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 60 and nays 2, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Jude	Merriam	Renneke
Anderson	Dicklich	Kamrath	Moe, D. M.	Samuelson
Belanger	Diessner	Knaak	Moe, R. D.	Schmitz
Benson	Dieterich	Knutson	Nelson	Spear
Berg	Frank	Kroening	Novak	Storm
Berglin	Frederick	Laidig	Olson	Stumpf
Bernhagen	Frederickson	Langseth	Peterson, D. C.	Taylor
Bertram	Freeman	Lantry	Peterson, R. W.	Ulland
Brataas	Hughes	Lessard	Petty	Vega
Chmielewski	Isackson	Luther	Purfeerst	Waldorf
Dahl	Johnson, D.E.	McQuaid	Ramstad	Wegscheid
Davis	Johnson, D.J.	Mehrkens	Reichgott	Willet

Messrs. Pehler and Peterson, C.C. voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 148: A bill for an act relating to natural resources; authorizing the commissioner of natural resources to extend timber permits; amending Laws 1981, chapter 305, section 11, as amended.

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 60 and nays 2, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Knutson	Nelson	Renneke
Anderson	Diessner	Kroening	Novak	Samuelson
Belanger	Frank	Laidig	Olson	Schmitz
Benson	Frederickson	Langseth	Pehler	Spear
Berg	Freeman	Lantry	Peterson, C. C.	Storm
Berglin	Hughes	Lessard	Peterson, D. C.	Stumpf
Bernhagen	Isackson	Luther	Peterson, R. W.	Taylor
Bertram	Johnson, D.E.	McQuaid	Petty	Ulland
Chmielewski	Johnson, D.J.	Mehrkens	Pogemiller	Vega
Dahl	Jude	Merriam	Purfeerst	Waldorf
Davis	Kamrath	Moe, D.M.	Ramstad	Wegscheid
DeCramer	Knaak	Moe, R. D.	Reichgott	Willet

Messrs. Dieterich and Frederick voted in the negative.

So the bill passed and its title was agreed to.

RECONSIDERATION

Mr. Dahl moved that the vote whereby S.F. No. 338 was passed by the Senate on April 11, 1983, be now reconsidered. The motion prevailed.

S.F. No. 338: A bill for an act relating to motor vehicles; maintaining the maximum interest rate on certain loans under the Motor Vehicle Retail Installment Sales Act at the current rate; amending Minnesota Statutes 1982, section 168.72, subdivision 2.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 53 and nays 10, as follows:

Those who voted in the affirmative were:

Adkins	Diessner	Laidig	Novak	Schmitz
Anderson	Frederick	Langseth	Olson	Solon
Belanger	Frederickson	Lantry	Pehler	Storm
Benson	Freeman	Lessard	Peterson, C.C.	Stumpf
Berg	Hughes	Luther	Peterson, R.W.	Taylor
Bernhagen	Isackson	McQuaid	Petty	Ulland
Bertram	Johnson, D.E.	Mehrkins	Purfeerst	Vega
Chmielewski	Jude	Merriam	Ramstad	Waldorf
Dahl	Knaak	Moe, D. M.	Reichgott	Willet
Davis	Knutson	Moe, R. D.	Renneke	
DeCramer	Kroening	Nelson	Samuelson	

Those who voted in the negative were:

Berglin	Dieterich	Johnson, D.J.	Peterson, D.C.	Spear
Dicklich	Frank	Kamrath	Pogemiller	Wegscheid

So the bill passed and its title was agreed to.

S.F. No. 598: A bill for an act relating to insurance premium finance companies; authorizing finance charges based on the federal discount rate; amending Minnesota Statutes 1982, sections 59A.09, subdivisions 3, 4 and 6; and 59A.12, subdivisions 1 and 4.

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 54 and nays 9, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Laidig	Novak	Solon
Anderson	Diessner	Langseth	Olson	Spear
Belanger	Frederick	Lantry	Pehler	Storm
Benson	Frederickson	Lessard	Peterson, C.C.	Stumpf
Berg	Hughes	Luther	Peterson, R.W.	Taylor
Bernhagen	Isackson	McQuaid	Petty	Ulland
Bertram	Johnson, D.E.	Mehrkins	Purfeerst	Vega
Brataas	Jude	Merriam	Reichgott	Waldorf
Chmielewski	Kamrath	Moe, D.M.	Renneke	Wegscheid
Dahl	Knaak	Moe, R.D.	Samuelson	Willet
Davis	Knutson	Nelson	Schmitz	

Those who voted in the negative were:

Berglin	Dieterich	Freeman	Kroening	Pogemiller
Dicklich	Frank	Johnson, D.J.	Peterson, D.C.	

So the bill 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 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.

Mr. Taylor introduced—

S.F. No. 1122: A bill for an act relating to traffic regulations; regulating

school buses; amending Minnesota Statutes 1982, sections 169.01, subdivision 6; 169.44, subdivision 8; and 169.45.

Referred to the Committee on Transportation.

Mses. Peterson, D.C. and Reichgott introduced—

S.F. No. 1123: A bill for an act relating to education; requiring multi-cultural and sex equity education programs in all school districts; creating an advisory committee; appropriating money; proposing new law coded in Minnesota Statutes, chapter 126.

Referred to the Committee on Education.

Mr. Chmielewski introduced—

S.F. No. 1124: A bill for an act relating to the city of McGrath; permitting the city to make an additional property tax levy.

Referred to the Committee on Taxes and Tax Laws.

Mrs. McQuaid introduced—

S.F. No. 1125: A bill for an act relating to the environment; establishing an environmental response, compensation, and compliance fund to pay for removal and remedial action associated with certain hazardous substances released into the environment and for other purposes; providing for liability for cleanup costs, personal injury, and economic loss resulting from releases of hazardous substances; imposing taxes, fees, and penalties; establishing a hazardous substance compensation trust account; appropriating money; amending Minnesota Statutes 1982, sections 115A.24, subdivision 1; 466.01, by adding a subdivision; and 466.04, subdivision 1; proposing new law coded in Minnesota Statutes, chapter 116; repealing Minnesota Statutes 1982, section 115A.24, subdivision 2.

Referred to the Committee on Agriculture and Natural Resources.

Mr. Dicklich introduced—

S.F. No. 1126: A resolution memorializing the United States Congress to conduct an in-depth investigation of the steel industry.

Referred to the Committee on Economic Development and Commerce.

Mr. Frank introduced—

S.F. No. 1127: A bill for an act relating to Anoka County; authorizing the issuance of bonds for the construction of library buildings and an annual levy for debt retirement.

Referred to the Committee on Local and Urban Government.

Mr. Solon introduced—

S.F. No. 1128: A bill for an act relating to labor; providing for the composition of bargaining units at the University of Minnesota; amending Min-

nesota Statutes 1982, section 179.741, subdivision 3.

Referred to the Committee on Employment.

Messrs. Ulland, Frederickson, Berg, Isackson and Mrs. McQuaid introduced—

S.F. No. 1129: A bill for an act relating to taxation; reducing the rate of tax on certain corporate income; amending Minnesota Statutes 1982, section 290.06, subdivision 1.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Ulland, Anderson, Mehrkens and Kamrath introduced—

S.F. No. 1130: A bill for an act relating to taxation; income; reducing the corporate tax rate on certain income; amending Minnesota Statutes 1982, section 290.06, subdivision 1.

Referred to the Committee on Taxes and Tax Laws.

Mr. Lessard introduced—

S.F. No. 1131: A bill for an act relating to retirement; permitting the purchase of certain prior service credit for periods of teaching service in other states.

Referred to the Committee on Governmental Operations.

Messrs. Peterson, C.C.; Spear; Renneke and Frederickson introduced—

S.F. No. 1132: A bill for an act relating to retirement; post retirement adjustments payable by the Minneapolis Teachers' Retirement Fund Association.

Referred to the Committee on Governmental Operations.

Mr. Johnson, D.E. introduced—

S.F. No. 1133: A bill for an act relating to taxation; sales and use; clarifying the law with respect to the taxability of tipboard "free plays"; amending Minnesota Statutes 1982, section 297A.01, subdivisions 3 and 9.

Referred to the Committee on Taxes and Tax Laws.

Mr. Johnson, D.E. introduced—

S.F. No. 1134: A bill for an act relating to local government aids; changing the formula for aid distributions to towns; amending Minnesota Statutes 1982, sections 477A.011, subdivisions 2, 4, 5, 7, 9, 10, and 11; and 477A.013.

Referred to the Committee on Taxes and Tax Laws.

Mr. Benson introduced—

S.F. No. 1135: A bill for an act relating to the state building code; requir-

ing certain elevators to have raised letters and numbers for use by the blind; amending Minnesota Statutes 1982, section 16.851, by adding a subdivision.

Referred to the Committee on Energy and Housing.

Messrs. Peterson, C.C.; Johnson, D.J.; Novak; Merriam and Ms. Berglin introduced—

S.F. No. 1136: A bill for an act relating to taxation; providing that taxation of the income of individuals, estates, and trusts will be based on federal taxable income; extending the period of time the sales tax rate is six percent; including sales of motor vehicles in the six percent rate; defining "publication" for sales tax purposes; amending Minnesota Statutes 1982, sections 290.01, subdivisions 19, 20, 20d, 21, 27, and by adding subdivisions; 290.012, subdivision 2; 290.032, by adding a subdivision; 290.06, subdivisions 2c, 3f, and 11; 290.071, subdivisions 5 and 6; 290.08, subdivisions 1, 8 and 19; 290.081; 290.085; 290.09, subdivisions 1, 2, 3, as amended, 4, 5, and 29; 290.091; 290.095, subdivision 11; 290.10; 290.101, subdivision 1; 290.12, subdivision 1; 290.16, subdivision 1; 290.17, subdivision 2; 290.18, subdivision 1; 290.21, subdivisions 1 and 3; 290.23, subdivisions 4 and 5; 290.311; 290.32; 290.37, subdivision 1; 290.38; 290.39, subdivisions 1, 1a, and 2; 290.46; 290.49, subdivisions 3 and 10; 290.50, subdivision 1; 290.56, subdivision 2; 290.92, subdivisions 2a, 21, and 23; 290.93, subdivisions 1, 5, and 10; 290.9726, subdivisions 1 and 3; 290A.03, subdivision 3; 297A.02, subdivision 1, as amended; 297A.03, subdivision 2, as amended; 297A.14, as amended; 297A.25, subdivision 1; 297A.35, subdivision 3; 297B.02, as amended; and 474.12, subdivision 2; and Laws 1982, chapter 523, article 7, section 3, subdivisions 1 and 3; proposing new law coded in Minnesota Statutes, chapter 290; repealing Minnesota Statutes 1982, sections 290.01, subdivisions 20a, 20b, 20f, 23, and 27; 290.032, subdivision 5; 290.06, subdivisions 2d, 2e, 3e, 3g, 9, 9a, and 15; 290.077, subdivisions 2 and 4; 290.08, subdivisions 23 and 25; 290.09, subdivisions 10, 15, 22, and 27; 290.16, subdivision 1a; 290.17, subdivisions 1 and 1a; 290.18, subdivisions 2 and 4; 290.23, subdivision 3; 290.501; and 290.9726, subdivision 5.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Kroening and Pogemiller introduced—

S.F. No. 1137: A bill for an act relating to public safety; allowing businesses to apply for permits to equip motor vehicles with radio equipment capable of receiving radio signals from a police emergency frequency; amending Minnesota Statutes 1982, section 299C.37, subdivision 3.

Referred to the Committee on Veterans and General Legislation.

Messrs. Pogemiller and Kroening introduced—

S.F. No. 1138: A bill for an act relating to firearms; providing that a discharge of a firearm by a peace officer which kills a sick, injured, or dangerous animal need not be reported; amending Minnesota Statutes 1982, section 626.553, subdivision 2.

Referred to the Committee on Judiciary.

Messrs. Sieloff and Peterson, D.L. introduced—

S.F. No. 1139: A bill for an act relating to local government; requiring notice of and hearings on increases in certain license fees; proposing new law coded in Minnesota Statutes, chapter 471.

Referred to the Committee on Local and Urban Government.

Mr. Pogemiller introduced—

S.F. No. 1140: A bill for an act relating to crimes and criminals; authorizing departures from the presumptive sentences established in the sentencing guidelines; amending Minnesota Statutes 1982, section 244.10, subdivision 2 and by adding a subdivision.

Referred to the Committee on Judiciary.

Mr. Pogemiller introduced—

S.F. No. 1141: A bill for an act relating to taxation; providing an income tax credit for employers who create new permanent jobs; proposing new law coded in Minnesota Statutes, chapter 290.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Peterson, R.W.; Spear; Jude; Knaak and Sieloff introduced—

S.F. No. 1142: A bill for an act relating to contracts; prohibiting the enforcement of indemnification agreements in construction contracts; proposing new law coded as Minnesota Statutes, chapter 337.

Referred to the Committee on Judiciary.

Messrs. Luther, Benson, Kroening, Waldorf and Knaak introduced—

S.F. No. 1143: A bill for an act relating to state departments and agencies; requiring the adjustment or establishment of certain agency fees by rule; authorizing the use of the noncontroversial rulemaking procedure; amending Minnesota Statutes 1982, sections 14.14, subdivision 1; 16A.128; 239.10; and 296.13.

Referred to the Committee on Governmental Operations.

Mr. DeCramer introduced—

S.F. No. 1144: A bill for an act relating to commerce; providing a lien for the furnishing of commercial feed or commercial fertilizer; amending Minnesota Statutes 1982, section 514.01.

Referred to the Committee on Judiciary.

Messrs. Nelson; Moe, R.D.; Willet; Stumpf and Peterson, D.L. introduced—

S.F. No. 1145: A bill for an act relating to education; school districts;

providing for self-insured, state-wide fringe benefit coverages for employees of school districts; amending Minnesota Statutes 1982, sections 3.855, subdivision 3; 43A.04, by adding a subdivision; 60A.03, by adding a subdivision; 179.65, subdivision 4; 179.66, subdivision 4; 275.125, by adding a subdivision; 471.616, by adding a subdivision; 471.617, by adding a subdivision; proposing new law coded in Minnesota Statutes, chapters 124 and 471.

Referred to the Committee on Education. Mr. Moe, D.M. questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

Messrs. Jude, Knaak and Ms. Reichgott introduced—

S.F. No. 1146: A bill for an act relating to statutes; conforming certain laws to judicial decisions of unconstitutionality; amending Minnesota Statutes 1982, sections 65B.51, subdivision 1; 154.03; and 573.01.

Referred to the Committee on Judiciary.

Mr. Johnson, D.J. introduced—

S.F. No. 1147: A bill for an act relating to the city of Silver Bay; authorizing the establishment of detached banking facilities.

Referred to the Committee on Economic Development and Commerce.

Mr. Dicklich introduced—

S.F. No. 1148: A bill for an act relating to labor; defining a professional strikebreaker; amending Minnesota Statutes 1982, section 179.01, subdivision 16.

Referred to the Committee on Employment.

Mr. Waldorf introduced—

S.F. No. 1149: A bill for an act relating to occupations and professions; regulating plumbers and water conditioning contractors and installers licensed for connections to public water supplies or sewerage systems; amending Minnesota Statutes 1982, sections 326.40, subdivision 1; 326.60, subdivision 1; and 326.65; repealing Minnesota Statutes 1982, section 326.45.

Referred to the Committee on Health and Human Services.

Mr. Waldorf introduced—

S.F. No. 1150: A bill for an act relating to the blind; establishing a division for the blind in public welfare; providing for greater consumer-public input; defining blindness; streamlining the hearings process; removing archaic language; deleting obsolete subdivisions; proposing new law coded in Minnesota Statutes, chapter 248; repealing Minnesota Statutes 1982, sections 248.04; 248.07; and 248.08.

Referred to the Committee on Health and Human Services. Mr. Moe,

D.M. questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

Messrs. Sieloff and Johnson, D.J. introduced—

S.F. No. 1151: A bill for an act relating to taxation; imposing or altering certain income tax, withholding tax, sales, and excise tax penalties; extending the time limitations within which certain indictments may be filed; amending Minnesota Statutes 1982, sections 290.53, subdivision 4, and by adding a subdivision; 290.92, subdivision 15; 290A.11, subdivision 2; 297A.08; 297A.39, subdivision 4, and by adding a subdivision; and 297B.10.

Referred to the Committee on Taxes and Tax Laws.

Mr. Ramstad, Mrs. Brataas, Ms. Reichgott, Messrs. Pogemiller and Luther introduced—

S.F. No. 1152: A bill for an act relating to marriage dissolution; clarifying factors to be considered in modifying a child support order; amending Minnesota Statutes 1982, section 518.64, subdivision 2.

Referred to the Committee on Judiciary.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Vega moved that S.F. No. 77 be withdrawn from the Committee on Finance and re-referred to the Committee on Energy and Housing. The motion prevailed.

Mr. Moe, D.M. moved that S.F. No. 164 be taken from the table. The motion prevailed.

S.F. No. 164: A bill for an act relating to state government; removing the requirement of senate confirmation for appointment to certain state agencies; limiting terms of certain holdover appointees; formulating a procedure for senate and house confirmations; changing a time requirement for filing a statement of economic interest in certain cases; amending Minnesota Statutes 1982, sections 1.33; 3.9223, subdivision 1; 10A.09, subdivisions 1 and 3; 14.48; 15.0575, subdivision 2; 15.0597, subdivision 6; 15.06, subdivisions 2 and 5; 15.50, subdivision 1; 40.03, subdivision 1; 85A.01, subdivision 1; 105.401, subdivision 1; 115A.05, subdivision 2; 116E.02, subdivision 1; 116J.04; 121.82, subdivision 1; 121.844, subdivision 1; 182.664, subdivision 1; 250.05, subdivision 2; 299B.05, subdivision 1; 414.01, subdivision 2; 473.123, subdivision 4; 473.141, subdivision 3; 490.15, subdivision 1; proposing new law coded in Minnesota Statutes, chapter 15; repealing Minnesota Statutes 1982, section 11A.07, subdivision 3.

Mr. Moe, D.M. moved that the Senate do not concur in the amendments by the House to S.F. No. 164, 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. Dicklich moved that the name of Mr. Pehler be added as a co-author

to S.F. No. 513. The motion prevailed.

Mr. Solon moved that H.F. No. 314 be withdrawn from the Committee on Economic Development and Commerce and re-referred to the Committee on Rules and Administration for comparison with S.F. No. 368, now on General Orders. The motion prevailed.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 7:30 p.m., Wednesday, April 13, 1983. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate