

SEVENTIETH DAY

St. Paul, Minnesota, Monday, April 2, 1984

The Senate met at 11:00 a.m. and was called to order by the President.

Prayer was offered by the Chaplain, Rev. Paul Nordstrom.

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

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

The President declared a quorum present.

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

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 432, 1877, 1032, 1509, 1532, 1620, 1652, 1916, 1944 and 1999.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 29, 1984

FIRST READING OF HOUSE BILLS

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

H.F. No. 432: A bill for an act relating to soil and water conservation; prohibiting in certain counties practices which cause accelerated erosion or sedimentation; prescribing penalties; proposing new law coded in Minnesota

Statutes, chapter 40.

Referred to the Committee on Agriculture and Natural Resources.

H.F. No. 1877: A bill for an act relating to enterprise zones; expanding the definition of areas eligible for designation as zones; limiting the designation of border city enterprise zones; clarifying the tax incentives available in enterprise zones; amending Minnesota Statutes 1983 Supplement, sections 273.1312, subdivisions 4 and 5; 273.1313, subdivisions 1 and 2; 273.1314, subdivisions 1, 6, 8, 9, 10, and by adding a subdivision.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1934, now on General Orders.

H.F. No. 1032: A bill for an act relating to Washington county; permitting the county to assess for highway improvements within cities.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1000, now on General Orders.

H.F. No. 1509: A bill for an act relating to motor vehicles; prohibiting fees for the return of number plates; amending Minnesota Statutes 1982, section 168.15.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1968.

H.F. No. 1532: A bill for an act relating to agriculture; designating milk as the official state drink; proposing new law coded in Minnesota Statutes, chapter 1.

Referred to the Committee on Agriculture and Natural Resources.

H.F. No. 1620: A bill for an act relating to rehabilitation services for blind and visually handicapped persons; authorizing adoption of rules; amending Minnesota Statutes 1982, section 248.07, by adding a subdivision.

Referred to the Committee on Health and Human Services.

H.F. No. 1652: A bill for an act relating to no-fault insurance; requiring no-fault insurance coverage of certain benefits rather than medicare coverage; amending Minnesota Statutes 1982, section 65B.61, subdivision 1; repealing Minnesota Statutes 1982, section 65B.61, subdivision 2b.

Referred to the Committee on Economic Development and Commerce.

H.F. No. 1916: A resolution memorializing the President, Congress, and the United States Department of Agriculture to take speedy action to insure that frozen pizzas are wholesome, nutritious, flavorful, truthfully labeled, and entirely healthful by approving proposed standards for real cheese content on frozen meat pizzas and affirming that all meat on frozen pizzas should be cooked.

Referred to the Committee on Agriculture and Natural Resources.

H.F. No. 1944: A bill for an act relating to financial institutions; qualifying obligations of the African Development Bank for public and private investment; amending Minnesota Statutes 1982, sections 11A.24, subdivision 2; 50.14, by adding a subdivision; and 61A.28, subdivision 2; Minnesota Statutes 1983 Supplement, section 60A.11, subdivision 14.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1827.

H.F. No. 1999: A bill for an act relating to the city of Duluth; authorizing the establishment of an energy conservation program for dwellings as a part of its municipal utility system and the issuance of municipal revenue bonds for that purpose; amending Laws 1981, chapter 223, section 2.

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

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted, with the exception of reports pertaining to appointments. The motion prevailed.

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

S.F. No. 1731: A bill for an act relating to taxation; providing an income tax deduction for contributions to candidates for local office; amending Minnesota Statutes 1983 Supplement, section 290.089, subdivision 2.

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

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

S.F. No. 1891: A bill for an act relating to public employees; providing standards for certain disciplinary actions; amending Minnesota Statutes 1982, section 626.557, by adding a subdivision.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1982, section 43A.33, is amended by adding a subdivision to read:

Subd. 2a. [ABUSE.] In a grievance or hearing proceeding involving discipline of an employee for abusing a resident of a state hospital or a state nursing home, "abuse" includes but is not limited to:

(1) Conduct which constitutes abuse under policies or procedures adopted by state hospitals or state nursing homes; or

(2) Any act which constitutes a violation under sections 609.221 to 609.235, 609.322, 609.342, 609.343, 609.344, or 609.345; or

(3) The intentional and nontherapeutic infliction of physical pain or injury, or any persistent course of conduct intended to produce mental or emotional distress."

Amend the title as follows:

Page 1, line 4, delete "626.557" and insert "43A.33"

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. 1632: A bill for an act relating to employment; providing job security for volunteer firefighters; proposing new law coded in Minnesota Statutes, chapter 181.

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

Page 1, line 9, before "An" insert "*Except for loss of pay for time not worked,*"

Page 1, line 10, delete "*, except for loss of pay for time not worked,*"

Page 1, line 12, after "*his*" insert "*or her*"

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. 1987: A bill for an act relating to public employment; regulating grievances of disciplinary actions; amending Minnesota Statutes 1983 Supplement, section 179.70, subdivision 1.

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

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

S.F. No. 1917: A bill for an act relating to economic development; providing for economic development grants to local units of government; appropriating money.

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

Page 1, line 8, delete "PURPOSE" and insert "ADMINISTRATION"

Page 1, line 8, delete "*In order to provide a broad*"

Page 1, delete lines 9 to 20

Page Page 1, line 22, after "*communities*" insert "*and recognized Indian tribal governments*"

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

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

S.F. No. 1872: A bill for an act relating to commerce; excluding certain

securities and commodities agreements from plain language contract regulation; amending Minnesota Statutes 1983 Supplement, section 325G.30, subdivision 3.

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

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

S.F. No. 1641: A bill for an act relating to medical assistance; providing a rate exemption for intermediate care facilities for the mentally retarded; amending Minnesota Statutes 1983 Supplement, section 256B.501, by adding a subdivision.

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

Delete everything after the enacting clause and insert:

"Section 1. [FACILITY REDUCTION PLAN.]

Subdivision 1. The commissioner of public welfare shall develop a statewide facility bed reduction plan for intermediate care facilities for the mentally retarded whose bed capacity exceeds 48 beds. The facility bed reduction plan shall include criteria for approval by the commissioner of individual facility reduction plans that: (a) are consistent with the statewide facility reduction plan; (b) result in the voluntary decertification of beds; (c) provide alternative or waived services for residents affected by the reduction. The commissioner may authorize one or more demonstration projects to assist in the development of the statewide bed reduction plan if the commissioner is satisfied that the demonstration projects will not result in the violation of the terms and conditions of the Title XIX home and community-based services waiver for the mentally retarded.

Subd. 2. The commissioner may grant exceptions to any rate limitation including the investment per bed limit established pursuant to the applicable rate setting rule to those facilities with reduction plans approved pursuant to subdivision 1. To the extent that the rate limit is exceeded because of the bed reduction, the commissioner shall not approve any rate limitation exception which exceeds by more than ten percent the mean of the allowable payment rates established pursuant to the applicable rate setting rule. The commissioner may allow the exception to the rate limitation for a period not to exceed three consecutive years.

Sec. 2. [RULES.]

The commissioner of public welfare shall promulgate temporary and permanent rules to implement the provisions of section 1.

Sec. 3. [APPROPRIATIONS.]

(a) One line item position is authorized for the implementation of this act.

(b) The sum of \$45,000 is appropriated from the general fund to the commissioner of public welfare for the purposes of implementing this act.

Sec. 4. [EFFECTIVE DATE.]

Sections 1 to 3 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to health; providing a facility reduction plan; appropriating money."

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. 727: A bill for an act relating to public welfare; establishing a demonstration project, subject to local approval, for providing mental health and chemical dependency services in the counties of Aitkin, Itasca, and Koochiching; proposing new law coded in Minnesota Statutes, chapter 246.

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

Delete everything after the enacting clause and insert:

"Section 1. [246.70] [MENTAL HEALTH, CHEMICAL DEPENDENCY DEMONSTRATION PROJECTS.]

Subdivision 1. [ESTABLISHMENT OF PROJECTS.] The commissioner of public welfare shall establish projects to demonstrate the feasibility of providing continuums of mental health and chemical dependency services through block grants in order to encourage the development of community based treatment services, create an incentive to use the least restrictive treatment alternative, accomplish appropriate use of state hospitals, and promote long-term health care cost containment and state budget predictability. Projects may be established in any or all of the following counties: Freeborn, Goodhue, Houston, Olmsted, Steele, and Winona. For purposes of this section, "commissioner" means the commissioner of public welfare.

Subd. 2. [PRIMARY PROVIDERS.] Each county participating in a project shall be a primary provider. The commissioner shall contract with each primary provider concerning the obligations relating to the demonstration project including services to eligible individuals, accounting for money received, reporting and evaluation, and maintenance of services and expenditures. A primary provider may contract with other providers to provide any of the required services. Each primary provider is responsible for (1) ensuring that services are delivered, directly or under contract with other providers, to individuals needing them; (2) monitoring and evaluating delivery of services; (3) accounting for all money received through the block grant; and (4) compliance with the provisions of this section and standards established for the project by the commissioner.

Subd. 3. [BLOCK GRANT, RISK.] The commissioner shall make a grant to each participating county of an amount equal to the state hospital per diem rate less the county share multiplied by the total number of patient days for mentally ill and chemically dependent patients for whom that county was the financially responsible county in state fiscal year 1983, excluding patients in the Minnesota security hospital, multiplied by two, for each two year project.

The entire block grant shall be paid in advance at the time of commencement of the project. The counties may distribute all or part of the block grants to other providers for services and may enter contracts concerning payment for services, allocation of risk, and other matters. Each primary provider shall maintain all block grant funds in an interest-bearing dedicated account and account for all withdrawals from the account. All block grant funds and all interest earned from block grant funds must be used to support, create, expand, or improve services to the mentally ill and chemically dependent. Each primary provider is liable for providing the services required by this section to eligible individuals throughout the period of the demonstration project. The primary provider bears the risk that the cost of providing services may exceed the amount of the block grant. Neither the commissioner nor any local unit of government other than the primary provider is liable for costs in excess of the block grant.

Subd. 4. [RELATION TO OTHER FUNDS AND SERVICES.] *During the period of the demonstration projects, the participating counties and the state shall not, because of the projects, reduce or supplant existing services or expenditures for services to adults who are mentally ill or chemically dependent except as required by this section. There shall be no loss of state hospital positions as a result of this section until an appropriate staff to patient ratio is reached in each state hospital. The commissioner shall seek reimbursement for the cost of services provided to eligible individuals as patients in a state hospital. A primary provider may seek reimbursement for the cost of all other services when available through private insurance, medical assistance, general assistance medical care, or other public or private sources.*

Subd. 5. [ELIGIBILITY.] *Individuals entitled to services provided through the demonstration projects are all individuals 18 years of age and older who are mentally ill or chemically dependent as defined by the commissioner, including individuals in state hospitals and individuals proposed or eligible for admission to state hospitals according to standards in effect on the effective date of this section, for whom the participating counties are the counties of financial responsibility. Individuals residing in the Minnesota security hospital are not eligible for services under this section.*

Subd. 6. [STATE HOSPITAL PATIENTS.] *The primary provider is liable for the cost of care of patients in state hospitals who are eligible to receive services from the primary provider under subdivision 5, including patients in state hospitals at the time of commencement of the project. The primary provider is not liable for the cost of care of patients residing in the Minnesota security hospital. The primary provider is liable for the cost of care of eligible state hospital patients at a rate equal to the full per diem charge at the time of treatment, except that if reimbursement is available for a state hospital patient, the commissioner shall obtain the payment and submit a bill to the primary provider only for any difference between the reimbursement and the full per diem charge. The commissioner and state hospital staff shall cooperate with providers in developing and implementing a system for screening admissions and notifying the provider of the admissions and discharges of eligible individuals for whom the primary provider is financially responsible. The primary provider is not liable for the costs of care of patients admitted to a state hospital without the prior authorization of the primary provider unless the primary provider is notified within 72 hours of admission.*

Subd. 7. [SERVICES.] Each primary provider shall ensure that mental health services and chemical dependency services are provided to adults requiring them and eligible under subdivision 7. The services provided shall be the least restrictive alternative available to meet the needs of each individual, based on the individual's treatment plan. The primary provider shall ensure that at least the following services for mental health and for chemical dependency are available and provided as necessary through facilities or individuals meeting current licensure, approval, or certification requirements: outpatient treatment, emergency care services, day treatment, screening and assessment, consultation and education, inpatient treatment, and residential and transitional living programs. A primary provider may provide services directly, purchase or contract for services, or make grants to other providers to develop services. Primary providers and providers contracting to provide services within a project shall establish a system for notifying both current Minnesota state hospital employees and former employees who are unemployed of any employment opportunities that arise as a result of the project and shall implement a hiring preference for current and former state hospital employees over similarly qualified applicants when filling available positions.

Subd. 8. [ASSESSMENT, INDIVIDUAL TREATMENT PLAN.] The primary provider shall ensure that each individual is assessed by a multi-disciplinary team to determine the individual's need for services and that an individual treatment plan is developed to govern provision of services utilizing the least restrictive alternative available to meet the individual's needs. The individual shall be reassessed at least quarterly and the individual treatment plan modified, if necessary, to continue to provide the least restrictive alternative available to meet the individual's needs. An eligible individual who is a medical assistance recipient and any guardian, responsible relative, or other person involved in committing the eligible individual under chapter 253B shall be encouraged to consider the alternatives to state hospital commitment available through the primary provider. When committing a resident of a participating county under chapter 253B, the committing court is encouraged to commit the person to the primary provider or to the facility designated by the primary provider, absent good cause to the contrary. For any individual committed to the primary provider under the Commitment Act, chapter 253B, the primary provider shall assess the individual's need for services, develop an individual treatment plan as provided in this subdivision, and ensure that necessary services are provided in accordance with this section and chapter 253B.

Subd. 9. [RE-INSURANCE.] The primary provider and any other provider of services through the demonstration project may contract with an insurer, health care provider, or nonprofit health service plan corporation to provide insurance or similar protection against the cost of care or to provide coverage against the risks of providing services within the block grant amount. The patients served through the demonstration project are a permissible group under group insurance laws and the Nonprofit Health Service Plan Corporation Act. Under this type of contract, the insurer or corporation may make benefit payments to a participating provider for services rendered or to be rendered to a patient. An insurer or nonprofit health service plan corporation licensed to do business in this state may provide this insurance or similar protection.

Subd. 10. [MEDICAID DEMONSTRATION PROJECT.] If any county is

simultaneously a participant in a project established under this section and in the prepayment demonstration project established under section 256B.69, the primary provider for that county is liable for the cost of care of eligible individuals who are patients in a state hospital but the primary provider is not responsible for other services to otherwise eligible individuals who are participants in the prepayment demonstration project.

Subd. 11. [REPORTING, EVALUATION.] Before the implementation of the projects, the commissioner shall, in consultation with the primary providers, develop a reporting and evaluation method including (1) a record of programs and services provided to eligible individuals; (2) a system for evaluating patient satisfaction; (3) criteria for measuring the extent to which objectives of the project are met, including the creation of employment opportunities for state hospital workers; (4) a comparison of the costs and effects of providing services through the demonstration project and through the existing system in non-project areas; (5) data necessary to enable the state to develop capitated rates for future programs; and (6) other information the commissioner deems appropriate. The reporting and evaluation method shall provide for the preservation of the confidentiality of records in accordance with state and federal laws and regulations.

The commissioner shall report to the legislature on the implementation and progress of the projects on January 1, 1986, and January 1, 1987, and shall make a final report including an evaluation and conclusions concerning the projects by January 1, 1988.

Subd. 12. [REPEALER.] This section is repealed effective June 30, 1988.

Sec. 2. [APPROPRIATION.]

There is appropriated from the general fund of the state treasury the sum of \$..... to the commissioner of public welfare for the purposes of this act. The appropriation is available until expended. No more than \$..... of the appropriation may be spent for administrative expenses.

Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective for each county electing to participate only if the county board of that county has approved the implementation of the project. The failure to participate of any one or more counties shall not affect the effectiveness of this act for a county that has approved the project."

Delete the title and insert:

"A bill for an act relating to public welfare; requiring the commissioner to establish demonstration projects to provide mental health and chemical dependency services; appropriating money; proposing new law coded in Minnesota Statutes, chapter 246."

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. 1983: A bill for an act relating to economic security; clarifying the emergency employment development jobs program; regulating the payment

of cash allowances; amending Minnesota Statutes 1983 Supplement, sections 256D.111, subdivision 2; 256D.112; 268.80; and 268.81.

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

Page 2, line 34, delete "*welfare*"

Page 2, line 36, delete "*of public welfare*"

Page 3, line 5, after "*employment*" insert a comma

Page 3, line 7, delete "*of public welfare*"

Page 3, line 8, before "A" insert "*The exemption of*"

Page 3, line 8, delete "*exempt under clause*" and insert "*described in clauses*"

Page 3, line 12, delete "256D.12" and insert "256D.112"

Page 4, line 28, delete "*employment*"

Page 5, line 10, delete "*payments*"

Page 5, line 11, after the first "*of*" insert "*a*"

Page 5, line 12, delete "*payment*"

Page 5, line 12, after "*include*" insert "*a written*"

Page 5, line 13, delete "*meets the general*"

Page 5, delete lines 14 to 16

Page 5, line 17, delete "*if the person has applied*" and insert "*applies*"

Page 5, line 19, after "*allowance*" insert "*, the person shall be deemed eligible for general assistance, and shall be paid general assistance to cover the period immediately following the period covered by the allowance*"

Page 6, line 20, delete "*cash*"

Page 6, line 21, delete "*a cash*" and insert "*an*"

Page 6, line 23, delete "*payment*"

Page 6, line 23, after "*a*" insert "*written*"

Page 6, line 24, delete "*meets the general*"

Page 6, delete lines 25 to 27

Page 6, line 28, delete "*if the person has applied*" and insert "*applies*"

Page 6, line 30, after "*allowance*" insert "*, the person shall be deemed to be eligible for general assistance, and shall be paid general assistance to cover the period immediately following the period covered by the allowance*"

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. 1838: A bill for an act relating to public welfare; requiring county boards to provide services to mentally ill persons; specifying duties of the commissioner; authorizing rulemaking; proposing new law coded as Minnesota Statutes, chapter 253C.

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

Page 2, line 13, delete "staff"

Page 2, line 14, delete "other" and insert "a" and delete "professionals are" and insert "professional is"

Page 3, after line 5, insert:

"For the purposes of sections 1 to 4, "mental health professional" does not include state hospital employees."

Page 3, line 30, delete "therapy" and insert "psychotherapy"

Page 4, line 13, delete "are" and insert "is"

Page 4, line 29, delete "on" and insert "for"

Page 5, lines 7, 16, and 17, delete "July" and insert "January"

Page 5, line 12, delete "biennially" and insert "annually"

Page 6, line 5, delete "at the most appropriate"

Page 6, line 6, delete "level," and after "restrictive" insert "and most appropriate"

Page 6, line 7, delete ", for each mentally ill person,"

Page 6, delete lines 15 to 18 and insert:

"(c) Voluntary participation of the client is preferred in the planning and delivery of services and, when clinically appropriate, family members shall be included at the earliest possible point of intervention."

Page 6, after line 18, insert:

"Sec. 5. [APPROPRIATION.]

There is appropriated \$. from the general fund to the commissioner of public welfare for the purposes of sections 1 to 4."

Page 6, line 19, delete "5" and insert "6"

Amend the title as follows:

Page 1, line 4, before the second semicolon, insert ";; appropriating money"

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

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

S.F. No. 1634: A bill for an act relating to health; removing the require-

ment of application for a federal waiver for services for the mentally retarded; repealing Minnesota Statutes 1983 Supplement, sections 252.28, subdivision 4; 252.291; 256B.092; 256B.501, subdivisions 1, 4, and 10; 256B.503; and Laws 1983, chapter 312, article 9, sections 10 and 11.

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

Delete everything after the enacting clause and insert:

“Section 1. [246.023] [INTERAGENCY BOARD.]

Subdivision 1. [LEGISLATIVE POLICY.] It is recognized that closure and consolidation of state hospitals have negative economic effects upon public employees and communities. It is the policy of the state that deinstitutionalization policies shall be carried out in a manner that ensures fair and equitable arrangements to protect the interests of employees and communities affected by depopulation of state institutions.

Subd. 2. [STUDY.] A comprehensive study shall be conducted by the state planning agency to provide information on topics to include, but not be limited to, the following:

(1) projected displacement of employees because of closure and consolidation mitigated through attrition, retirement, and transfer;

(2) the development of cooperative arrangements between the state and counties in the carrying out of these goals;

(3) the necessary changes in the biennial budget to effect any fiscal and policy recommendations of the plan;

(4) the necessary interagency agreements among and between appropriate departments and agencies as needed to effect the recommendations contained in the plan;

(5) the energy efficiency of all state hospital buildings.

Subd. 3. [PLAN.] The director of the state planning agency shall develop a plan to provide for arrangements to protect the interests of employees and communities affected by displacement, including arrangements that preserve employment rights and benefits, provide training and retraining of employees and, to the extent possible, guarantee the employment of these employees. In addition, the plan shall propose specific methods for assuring minimal impact on the economic life of affected communities as state hospital programs are closed or consolidated. The plan shall specify strategic goals for dealing with employees and communities, to include, but not be limited to, the following:

(1) collective bargaining agreements including seniority, vacation, health insurance and other contractual benefits and pension rights;

(2) maximum utilization of state hospital employees in the provision of non-institutional services to the mentally retarded;

(3) utilization of no lay-off agreements where deinstitutionalization causes displacement of employees;

(4) development of non-institutional, state-operated services for the men-

tally retarded, including community based intermediate care facilities for the mentally retarded, supported living arrangements, semi-independent living arrangements, day activity services, and other services;

(5) methods for ensuring that staff displaced by termination of programs at state hospitals are utilized to provide needed services within the continuum of care for individuals;

(6) alternative use of state hospital facilities made available by program closures;

(7) community retraining options for displaced personnel;

(8) specific methods for involving the following groups in the planning process: parents and guardians of hospital, residents, community business and economic leaders, and affected exclusive representatives;

(9) preparation of an economic impact statement and alternative economic development strategies for each state hospital region likely to be affected by program reductions in the regional state facility; and

(10) review of and planning for changes in community based services that result from deinstitutionalization.

Subd. 4. [IMPLEMENTATION; REPORT.] The department of public welfare shall implement all or part of the plan required under subdivision 3 as soon as feasible and shall establish pilot demonstration projects, as appropriate, for that purpose. Priority should be given to projects which focus on alternative community systems for care of deinstitutionalized state hospital patients. All existing licensing standards and reimbursement procedures shall be applicable to demonstration projects established under this section. The department of public welfare shall report to the legislature by January 31, 1985, and annually thereafter, concerning progress in developing and implementing the plan. The report shall include information on the economic consequences of deinstitutionalization policies on state hospital employees and communities. The report shall explain how the plan will mitigate negative economic impact upon state employees and communities.

Sec. 2. [APPROPRIATIONS; UNCLASSIFIED POSITIONS.]

The sum of \$500,000 is appropriated from the general fund to the commissioner of public welfare and the state planning agency for the purposes of implementing section 1, subdivisions 3 and 4. Up to 50 percent of this amount may be expended for unclassified staff or contracts with other agencies or outside consultants.

Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to state hospitals; requiring the state planning agency to develop a plan to be implemented by the department of public welfare to protect state hospital employees and communities affected by deinstitutionalization policies; appropriating money; proposing new law coded in Minnesota Statutes, chapter 246."

And when so amended the bill do pass and be re-referred to the Committee

on Finance. Amendments adopted. Report adopted.

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

S.F. No. 1719: A bill for an act relating to taxation; property; providing that certain instruments may be recorded without an auditor's certificate; amending Minnesota Statutes 1982, section 272.12.

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

Page 2, line 20, after "instrument" insert ": (1)"

Page 2, line 22, after "developments" insert "; or (2) creating an easement or license upon the land of the association or upon other land for the benefit of the association,"

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. 1973: A bill for an act relating to persons handicapped in communication; requiring the arresting officer to immediately obtain a qualified interpreter for a person handicapped in communication who has been arrested; amending Minnesota Statutes 1982, section 611.32.

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 546.42, is amended to read:

546.42 [PERSONS HANDICAPPED IN COMMUNICATION; INTERPRETERS.]

For the purposes of sections 546.42 to 546.44 a person handicapped in communication is one who, because of a hearing, speech or other communication disorder, or because of ~~the inability to speak or comprehend~~ *difficulty in speaking or comprehending* the English language, is unable to *fully* understand the proceedings in which he is required to participate, or when named as a party to a legal proceeding, is unable by reason of the deficiency to obtain due process of law.

Sec. 2. Minnesota Statutes 1982, section 611.31, is amended to read:

611.31 [HANDICAPPED PERSON.]

For the purposes of sections 611.30 to 611.34, "person handicapped in communication" means a person who: (a) because of a hearing, speech or other communication disorder, or (b) because of ~~the inability to speak or comprehend~~ *difficulty in speaking or comprehending* the English language, cannot *fully* understand the proceedings or any charges made against him, or is incapable of presenting or assisting in the presentation of his defense.

Sec. 3. Minnesota Statutes 1982, section 611.32, is amended to read:

611.32 [PROCEEDINGS WHERE INTERPRETER APPOINTED.]

Subdivision 1. [PROCEEDINGS AND PRELIMINARY PROCEEDINGS INVOLVING POSSIBLE CRIMINAL SANCTIONS OR CONFINEMENT.] In any proceeding ~~wherein in which a handicapped person handicapped in communication~~ may be subjected to confinement or criminal sanction, or in any proceeding preliminary ~~thereto to that proceeding~~, including coroner's inquest, grand jury proceedings, and proceedings relating to mental health commitments, the presiding judicial officer shall appoint a qualified interpreter to assist the ~~handicapped person handicapped in communication and any witness handicapped in communication~~ throughout the proceedings.

Subd. 2. [PROCEEDINGS AT TIME OF APPREHENSION OR ARREST.] ~~Upon~~ Following the apprehension or arrest of a person handicapped in communication for an alleged violation of a criminal law ~~and, the arresting officer, sheriff or other law enforcement official shall immediately make necessary contacts to obtain a qualified interpreter and shall obtain an interpreter at the earliest possible time at the place of detention. A law enforcement officer shall, with the assistance of the interpreter, explain to the person handicapped in communication, all charges filed against him or her, and all procedures relating to his or her detainment and release. The interpreter shall also assist the person with all other communications, including communications relating to needed medical attention. Prior to interrogating or taking the statement of a handicapped the person handicapped in communication, the arresting officer, sheriff, or other law enforcement official shall make available to said the person; at the earliest possible time, a qualified interpreter to assist such the person throughout such the interrogation or taking of a statement.~~

Amend the title as follows:

Page 1, line 6, delete "section" and insert "sections 546.42; 611.31; and"

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. 1974: A bill for an act relating to commerce; clarifying the limitations on enforcement of indemnification agreements in construction contracts; amending Minnesota Statutes 1983 Supplement, sections 337.01, subdivisions 2, 3, and 4; 337.02; 337.03; and 337.05, subdivision 2, and by adding subdivisions; and Laws 1983, chapter 333, section 6; proposing new law coded in Minnesota Statutes, chapter 337.

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

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

S.F. No. 1849: A bill for an act relating to crimes; prohibiting the purchase or sale of human organs; amending Minnesota Statutes 1982, section 145.422, subdivision 3.

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

Page 1, line 10, after "or" insert "living"

Page 1, lines 19 and 20, delete "*is effective the day following final enactment, and*"

Page 1, line 20, delete "*that date*" and insert "*August 1, 1984*"

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. 1836: A bill for an act relating to public welfare; amending the reporting of maltreatment of minors act; clarifying the roles of law enforcement and local welfare agencies; clarifying language; amending Minnesota Statutes 1982, section 626.556, subdivision 11; amending Minnesota Statutes 1983 Supplement, section 626.556, subdivisions 1, 2, 4, and 10.

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

Page 1, line 18, strike everything after the period

Page 1, strike lines 19 and 20

Page 1, line 21, strike everything before "The"

Page 4, lines 15 to 17, reinstate the stricken language

Page 4, after line 20, insert:

"(i) 'Assessment' includes authority to interview the child, the person or persons responsible for the child's care, the alleged perpetrator, and any other person with knowledge of the abuse or neglect for the purpose of gathering the facts, assessing the risk to the child, and formulating a plan.

Sec. 4. Minnesota Statutes 1982, section 626.556, subdivision 3, is amended to read:

Subd. 3. [PERSONS MANDATED TO REPORT.] A professional or his delegate who is engaged in the practice of the healing arts, social services, hospital administration, psychological or psychiatric treatment, child care, education, or law enforcement who has knowledge of or reasonable cause to believe a child is being neglected or physically or sexually abused shall immediately report the information to the local welfare agency, police department or the county sheriff. The police department or the county sheriff, upon receiving a report, shall immediately notify the local welfare agency. The local welfare agency, upon receiving a report, shall immediately notify the local police department or the county sheriff. Nothing in this subdivision shall be construed to require more than one report from any institution, facility, school or agency.

Any person not required to report under the provisions of this subdivision may voluntarily report to the local welfare agency, police department or the county sheriff if he has knowledge of or reasonable cause to believe a child is being neglected or subjected to physical or sexual abuse. The police department or the county sheriff, upon receiving a report, shall immediately notify the local welfare agency.

A person mandated to report suspected physical or sexual child abuse or neglect occurring within a licensed facility shall report the information to the agency responsible for licensing the facility. A health or corrections agency receiving a report may request the local welfare agency to provide assistance pursuant to subdivisions 10, 10a, and 10b.

Any person who makes a report shall, upon request to the local welfare agency, receive a concise summary of the disposition of the report, unless release would be detrimental to the best interests of the child."

Page 4, line 26, after "report" insert "*or assisting in an assessment*"

Page 4, line 36, after "agency" insert "*or local law enforcement agency*"

Page 5, line 1, reinstate the stricken language and before "assessment" insert "*or*" and delete "*interview*"

Page 5, line 10, after "AGENCY" insert "*AND LOCAL LAW ENFORCEMENT AGENCY*"

Page 5, line 24, after "report" insert "*and of the local law enforcement agency*"

Page 5, line 31, strike "*or*" and after "guardian" insert "*, or school official*"

Page 5, line 33, reinstate the stricken language

Page 5, line 34, before "assessment" insert "*or*"

Page 6, line 4, after "welfare" insert "*or local law enforcement*"

Page 6, line 10, after the period, insert "*For interviews conducted by the local welfare agency,*"

Page 6, line 11, strike the first comma and insert "*and*"

Page 6, line 13, before the period, insert "*, but the local welfare agency, or the local law enforcement agency shall have the exclusive authority to determine who may attend the interview*"

Page 6, line 18, before the period, insert "*or local law enforcement agency. Where the school fails to comply with the provisions of this section, the juvenile court may order the school to comply with this provision*"

Page 6, line 21, reinstate the stricken "investigation" and before "assessment" insert "*or*" and delete "*interview*"

Page 6, line 31, after "agency" insert "*or the local law enforcement agency*"

Page 7, line 8, strike "*and*" and insert a comma

Page 7, line 9, reinstate the stricken language and delete "*assessing*"

Page 7, line 9, after "reports" insert "*, and the local law enforcement agencies*"

Page 7, lines 11 to 18, reinstate the stricken language and delete the new language

Page 7, delete section 6

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, delete "subdivision" and insert "subdivisions 3 and"

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. 1772: A bill for an act relating to crimes; defining sports book-making; amending Minnesota Statutes 1983 Supplement, section 609.75, subdivision 7.

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

Page 1, after line 6, insert:

"Section 1. Minnesota Statutes 1982, section 299C.065, subdivision 1, is amended to read:

Subdivision 1. The commissioner of public safety shall make grants to local officials for the cooperative investigation of cross jurisdictional criminal activity relating to the possession and sale of controlled substances, receiving or selling stolen goods, *participating in gambling activities in violation of section 609.76*, violations of section ~~609.32~~, ~~subdivision 2 or subdivision 3, clause (3) or (6)~~ 609.322, 609.323, or any other state or federal law prohibiting the recruitment, transportation, or use of juveniles for purposes of prostitution."

Page 1, line 11, delete "six-month" and insert "one-month"

Page 1, line 11, after "bets" insert a comma

Page 1, line 12, delete "more than five"

Page 1, line 12, delete "which" and insert ", that"

Page 1, line 13, strike "\$1,500" and insert "\$2,500"

Page 1, line 16, delete "Section 1 is" and insert "Sections 1 and 2 are"

Page 1, line 16, delete "applies" and insert "apply"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, after "amending" insert "Minnesota Statutes 1982, section 299C.065, subdivision 1; and"

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. 1785: A bill for an act relating to crimes; authorizing aggregation of thefts in medicaid fraud cases; extending the statute of limitations in medicaid fraud cases; amending Minnesota Statutes 1982, section 628.26; Min-

nesota Statutes 1983 Supplement, section 609.52, subdivision 3.

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

Page 2, line 24, delete the new language and after "(3)" strike "(a), (b)" and strike "(c)"

Page 3, line 15, after "subdivision 2" insert ", clause"

Page 3, line 25, delete "Sections 1 and 2 are" and insert "Section 1 is"

Page 3, line 25, delete "apply" and insert "applies"

Page 3, line 26, after the period, insert "Section 2 is effective August 1, 1984."

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. 1441: A bill for an act relating to the operation of the department of economic security; funding sheltered workshop and work activity programs based on evaluated effectiveness; defining sheltered employee; requiring rulemaking and a report to the legislature; amending Minnesota Statutes 1982, sections 129A.01 and 129A.08.

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 129A.01, is amended to read:

129A.01 [DEFINITIONS.]

For the purposes of this chapter, the following terms shall have the meanings given them:

- (a) "Department" means the department of economic security;
- (b) "Commissioner" means the commissioner of economic security;
- (c) "Vocational rehabilitation services" means those services and goods so defined in the federal Rehabilitation Act of 1973 and section 3, clause (b);
- (d) "Handicapped person" means a person who because of a substantial physical, mental or emotional disability or dysfunction requires special services in order to enjoy the benefits of society;
- (e) "Long-term sheltered workshop" means a facility where any manufacture or handiwork is carried on and which is operated for the primary purpose of providing remunerative employment to those handicapped persons who, as a result of physical or mental disability, are unable to participate in competitive employment. A long-term sheltered workshop shall supply such employment (1) as a step in the rehabilitation process for those who cannot be readily absorbed in the competitive labor market, or (2) during

such time as employment opportunities for them in the competitive labor market do not exist;

(f) "Work activity program" means a program which utilizes manufacturing activities and other production work for the primary purpose of providing basic vocational skills development for the handicapped;

(g) "Sheltered employee" means a handicapped person working for pay while participating in a long-term sheltered workshop program.

Sec. 2. Minnesota Statutes 1982, section 129A.08, is amended to read:

129A.08 [COMMISSIONER'S DUTIES; LONG-TERM SHELTERED EVALUATION AND FUNDING OF WORKSHOPS AND WORK ACTIVITY PROGRAMS.]

Subdivision 1. [GRANTS.] The commissioner may make grants to assist cities, towns, counties, nonprofit corporations, or any combination thereof in the establishment, operation and expansion of long-term sheltered workshops or work activity programs. The commissioner may accept federal grants or aids and shall cooperate with federal agencies in any reasonable manner necessary to qualify for federal grants or aids for long-term sheltered workshops or work activity programs.

Subd. 2. [EVALUATION; STATE FUNDING.] At the beginning of each fiscal year, the commissioner shall allocate available funds to long-term sheltered workshops and work activity programs for disbursement during the fiscal year in accordance with approved plans or budgets. *The commissioner shall study and recommend to the legislature by March 1, 1985, new allocation formulas which take into consideration effectiveness of the workshop. In its recommendation the commissioner shall calculate the fiscal impact of the various formulas on each workshop and the extent to which a workshop can utilize new allocation formulas. The commissioner shall develop forms to assist the workshops in collecting data necessary to complete the evaluation. Information needed to conduct the evaluations must be submitted by the workshops along with the annual requests for funding. Failure to submit documentation requested by the commissioner shall result in the withdrawal of all state funding for the workshop.*

The commissioner shall from time to time during the fiscal year review the budgets and expenditures of the ~~various~~ workshops and programs and. If funds are not needed for the workshop or program to which they were allocated, ~~he the commissioner~~ may, after reasonable notice and opportunity for hearing, withdraw such funds as are unencumbered and reallocate them to other workshops or programs. ~~He~~ The commissioner may withdraw funds from any workshop or program which is not being administered in accordance with its approved plan and budget ~~and with relevant department rules unless a modified plan and budget is submitted to and approved by the commissioner, and implemented within a reasonable time.~~

The commissioner shall also withdraw funds from a workshop or program not being administered according to department rules, or not meeting mandatory standards for certification, unless a plan bringing the workshop or program into compliance with the rules and standards is submitted to and approved by the commissioner and implemented within a reasonable time.

Subd. 3. [OPERATING COSTS FUNDED.] The grant may not exceed an

amount equal to 75 percent of the normal operating expenses of the long-term sheltered workshop or work activity program. Wages paid ~~clients sheltered employees~~ or ~~long-term work activity program participants~~ are to be excluded in determining operating cost. In the event that there are inadequate funds appropriated to meet the foregoing provisions in full, they shall be prorated proportionately.

Subd. 4. [EVALUATION OF WORKSHOPS.] The workshop evaluation must include, but not be limited to, the following considerations:

(a) Wages and benefits paid to sheltered employees and number of hours worked;

(b) Rate of placement in competitive employment;

(c) Opportunities for sheltered employees to participate in decisions affecting their employment;

(d) Workshop responsiveness to sheltered employees grievances;

(e) Increases in individual sheltered employee productivity;

(f) Implementing innovative ways to increase placement and retention of sheltered employees in competitive employment, or in sheltered positions with competitive employers, or innovative ways that increase sheltered employee wages;

(g) Efficiency of the workshops; and

(h) Types and levels of disability of the sheltered employees and willingness of the workshop to accept and assist persons with serious behavioral, mental, sensory or physical disabilities.

The evaluation must take into account the disability levels of the sheltered employees, the geographic location and size of the workshop and the economic conditions of the surrounding community.

Subd. 4 5. [RULE AUTHORITY.] In addition to the powers already conferred on him by law, the commissioner shall promulgate rules ~~in regard to the following matters~~ on:

(a) state certification of all long-term sheltered workshops and work activity programs;

(b) eligibility of community long-term sheltered workshops and work activity programs to receive state grants;

(c) standards for qualification of personnel and quality of professional service and for in-service training and education leave programs for personnel;

(d) eligibility for service so that no person will be denied service on the basis of race, creed or color;

(e) regulatory fees for consultation services; and

(f) standards and criteria by which handicapped persons are to be judged eligible for the services;

(g) evaluation criteria for long-term sheltered workshops; and

(h) program evaluation criteria for work activity programs in order to de-

termine the extent to which these programs meet the goals and objectives established in state and federal law relating to work activity programs.

The rules on evaluation criteria for long-term sheltered workshops must be in effect by July 1, 1985. The rules must be used in making allocations for fiscal years beginning after June 30, 1986.

Subd. 6. [TECHNICAL ASSISTANCE.] The commissioner shall provide technical assistance within available resources to workshops and programs based on the need reflected in an evaluation.

Sec. 3. [REPORT TO LEGISLATURE.]

The commissioner shall report to the legislature by March 1, 1985, on the progress in implementing section 2, subdivision 5. The report shall include a draft of the proposed rule and current information on the status of rule development."

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

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

S.F. No. 1986: A bill for an act relating to public employment labor relations; recodifying the public employment labor relations act; proposing new law coded as Minnesota Statutes, chapter 179A; repealing Minnesota Statutes 1982, sections 179.61 to 179.76, as amended.

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

Page 1, line 11, after the period, insert "*The intent of this act is to eliminate obsolete and redundant language, arrange the provisions governing public sector labor relations in a more logical order, and make the law easier to read and understand.*"

Page 2, line 29, delete "section" and insert "sections" and after "179A.09" insert "to 179A.11"

Page 6, line 18, delete everything after "replace"

Page 6, line 19, delete "working days, a" and insert "an absent"

Page 6, line 20, after "employee" insert ", where the replacement employee is employed more than 30 working days as a replacement for that teacher or faculty member"

Page 6, line 27, delete "179A.22" and insert "179A.10 for executive branch employees"

Page 9, line 18, after "for" insert "interest"

Page 9, line 31, after "all" insert "decisions of"

Page 9, line 36, delete "3" and insert "4"

Page 12, line 22, delete "other"

Page 12, line 28, delete "supervisory essential employees" and insert

“supervisors”

Page 12, line 28, after *“are”* insert *“: (1) firefighters, peace officers subject to licensure under sections 626.84 to 626.855, guards at correctional facilities, or employees at hospitals other than state hospitals; and (2)”*

Page 14, line 30, delete *“ordinace”* and insert *“ordinance”*

Page 15, line 7, delete *“employed”*

Page 21, line 33, delete *“their”* and insert *“its”*

Page 29, line 1, delete *“BINDING”* and insert *“INTEREST”*

Page 29, line 1, delete *“FOR NONESSENTIAL”*

Page 29, line 2, delete *“EMPLOYEES”*

Page 29, line 3, delete *“INTEREST ARBITRATION”* and insert *“NONESSENTIAL EMPLOYEES”*

Page 29, line 18, delete *“BINDING ARBITRATION PETITIONS FOR”*

Page 30, line 10, after *“certified”* insert *“to”*

Page 30, line 19, delete the last *“or”*

Page 30, line 20, delete *“regulations”*

Page 30, line 20, after the first comma, insert *“or”*

Page 30, line 20, delete the second *“municipal”*

Page 30, line 21, delete *“municipal”*

Page 30, line 21, delete *“which”* and insert *“; provided that the rules, charters, ordinances and resolutions”*

Page 31, line 13, delete *“For supervisory employees,”*

Page 31, delete lines 14 to 17

Page 31, line 18, delete *“to the panel.”*

Page 37, after line 12, insert:

“Subd. 2. [NO CONTRACT PROVISIONS CONTRARY TO LAW.] No provision of a contract shall be in conflict with:

(1) the laws of Minnesota; or

(2) rules promulgated under law, or municipal charters, ordinances, or resolutions, provided that the rules, charters, ordinances, and resolutions are consistent with this chapter.”

Page 37, line 13, delete *“2”* and insert *“3”*

Page 37, line 23, delete *“3”* and insert *“4”*

Page 38, line 9, delete *“4”* and insert *“5”*

Page 38, line 15, delete *“5”* and insert *“6”*

Page 38, line 28, delete *“the chairman”*

Page 38, line 29, delete the first *“of”*

Page 42, line 8, delete the second "Subd. 4" and insert "Subd. 5"

Page 42, line 11, delete "Subd. 3" and insert "Subd. 4"

Page 42, line 15, delete "Subd. 3" and insert "Subd. 4"

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. 1597: A bill for an act relating to local government; establishing a grant program for the planning and provision of joint municipal services by local governmental units; appropriating money; proposing new law coded in Minnesota Statutes, chapter 471.

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

Delete everything after the enacting clause and insert:

"Section 1. [471.595] [JOINT MUNICIPAL SERVICES GRANT.]

Subdivision 1. [ESTABLISHMENT OF GRANT PROGRAM.] The joint municipal services grant program is established to assist and encourage co-operation among local governmental units to provide joint municipal services as authorized by section 471.59, excluding cities of the first class. The state planning agency may make grants to governmental units to plan joint municipal services including public safety, building code enforcement, assessments, public works, recreation programs, and economic development. For the purposes of this section, "governmental unit" has the meaning given in section 471.59, subdivision 1.

Subd. 2. [GRANT REVIEW AND APPROVAL.] The state planning agency shall establish criteria for grant approval and review and approve grant applications. The basis for the criteria shall be the provision of better or more economical municipal services. The agency grant may not exceed 75 percent of the cost to the units to plan the joint services or \$15,000, whichever is less.

Subd. 3. [AID.] Upon approval by the agency of a plan to provide joint services, the affected units shall receive for the four succeeding years additional aid as provided in this subdivision. Each unit shall receive in each year an amount equal to ten percent of the part of the aid allowed to the unit in that year under chapter 477A that is the same proportion of the entire aid that the cost of the joint municipal service is of the entire municipal budget in the current calendar year.

Sec. 2. [APPROPRIATION.]

\$. is appropriated from the general fund to the director of the state planning agency to be used for the purposes of section 1, subdivisions 1 and 2.

\$. is appropriated from the general fund to the commissioner of revenue to make the aids payments provided by section 1, subdivision 3."

And when so amended the bill do pass and be re-referred to the Committee

on Finance. Amendments adopted. Report adopted.

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

S.F. No. 1931: A bill for an act relating to the city of St. Paul; permitting the city to adopt certain regulations for smoke detection devices.

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

Page 1, line 11, after "*of*" insert "*one*" and delete "*detectors*" and insert "*detector*"

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. 1880: A bill for an act relating to local government; providing for financing of county and county regional jails; amending Minnesota Statutes 1982, sections 641.24; and 641.264, subdivision 1.

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

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

S.F. No. 1927: A bill for an act relating to St. Louis County; establishing positions in the unclassified civil service; amending Laws 1941, chapter 423, section 6, as amended.

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

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

S.F. No. 1770: A bill for an act relating to the city of Duluth; changing the boundaries of the tracts of land administered by the Spirit Mountain recreation area authority; amending Laws 1973, chapter 327, section 2, subdivision 1.

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

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

S.F. No. 1771: A bill for an act relating to local government; authorizing joint exercise of police powers; amending Minnesota Statutes 1982, section 471.59, by adding a subdivision.

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

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

S.F. No. 1975: A bill for an act relating to corporations; regulating corporate take-overs; requiring certain disclosures; providing certain limitations on offerors; prescribing suspension powers of the commissioner; providing a hearing; regulating control share acquisitions of Minnesota business corporations; defining terms; prescribing penalties; amending Minnesota Statutes 1982, sections 80B.01; 80B.03, subdivisions 1, 2, and 5, and by adding subdivisions; 80B.05; 80B.06; 80B.07; 80B.08; 80B.10; 302A.011, by adding subdivisions; 302A.449, by adding a subdivision; 302A.461, subdivision 4; proposing new law coded in Minnesota Statutes, chapter 302A; repealing Minnesota Statutes 1982, sections 80B.02; 80B.03, subdivisions 3 and 4; and 80B.12, subdivisions 1 and 3.

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

Page 1, line 19, delete "INTENT" and insert "PURPOSE"

Page 1, delete lines 20 to 31

Page 2, delete lines 1 to 15

Page 2, line 16, delete "Subd. 2. [PURPOSES.]"

Page 2, line 16, delete "19" and insert "18"

Page 4, lines 12 and 13, strike "or exempt from registration"

Page 4, lines 13 and 14, strike "and registered or exempt from registration under the Securities Act of 1933"

Page 4, line 29, reinstate the semicolon

Page 4, after line 29, insert:

(d) An offer in which the target company is an insurance company subject to regulation by the commissioner, a financial institution regulated by the commissioner, or a public service utility subject to regulation by the public utilities commission"

Page 4, line 36, after "of" insert "publicly traded equity"

Page 5, line 8, after the period, insert "For the purposes of this chapter, an equity security is publicly traded if a trading market exists for the security at the time the offeror makes a take-over offer for the security. A trading market exists if the security is traded on a national securities exchange, whether or not registered to the Securities Exchange Act of 1934, or the over-the-counter market."

Page 7, line 20, after "4a." insert "Within three calendar days of the date of filing of the registration statement,"

Page 7, line 35, strike "Any" and insert "Chapter 14 does not apply to the hearing. The commissioner's"

Page 8, line 2, before the period, insert ", but not more than 16 calendar days after the date of the suspension"

Page 8, line 2, after the period, insert "The commissioner may prescribe

different time limits than those specified in this subdivision by rule or order."

Page 12, line 34, strike "and \$100 for a"

Page 12, strike lines 35 and 36

Page 13, strike lines 1 to 3

Page 13, line 4, strike everything before the period

Page 14, line 3, after "*redemption*" insert "*either at the price at which the shares were acquired or*"

Page 14, lines 12, 18, 24, and 27, delete "19" and insert "18"

Page 14, line 34, delete "*with at least 50 shareholders*"

Page 14, line 35, delete "and"

Page 15, line 5, delete "19" and insert "18"

Page 15, delete section 18

Page 16, line 6, after "*redemption*" insert "*either at the price at which the shares were acquired or*"

Page 17, line 20, after the comma, insert "*rejection of,*"

Renumber the sections in sequence

Amend the title as follows:

Page 1, lines 12 and 13, delete "302A.461, subdivision 4;"

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. 1859: A bill for an act relating to commerce; requiring insurance for motor vehicle service contracts; requiring motor vehicle service contract providers to file certain forms; prohibiting the issuance of motor vehicle service contracts in certain circumstances; authorizing the commissioner of commerce to adopt rules; proposing new law coded in Minnesota Statutes, chapter 65B.

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

Page 2, delete lines 12 to 14 and insert:

"(7) *"Motor vehicle"* means any self-propelled vehicle not operated exclusively upon railroad tracks and any vehicle propelled or drawn by a self-propelled vehicle but does not include snowmobiles and manufactured homes."

Page 2, after line 16, insert:

"(9) *"Motor vehicle service contract administrator"* means a person who provides administrative services to motor vehicle service contract providers, including but not limited to: issuing a motor vehicle service contract; re-

viewing or settling losses arising under the contract; providing or recommending the written contract or form for a contract; providing or recommending advertising or promotional materials."

Page 2, line 31, delete everything after "will"

Page 2, delete lines 32 to 35 and insert *"pay on behalf of the provider all sums which the provider is legally obligated to pay in the performance of its contractual obligations under the motor vehicle service contracts issued or sold by the provider."*

Page 3, line 2, delete everything after "the"

Page 3, delete lines 3 to 11 and insert *"contract conspicuously states that the obligations of the provider to the service contract holder are guaranteed under the service contract reimbursement policy, and unless the contract conspicuously states the name and address of the issuer of the reimbursement policy."*

Page 3, line 18, delete "seciton" and insert "section"

Page 3, after line 28, insert:

"Subd. 8. [INAPPLICABLE.] This section does not apply to motor vehicle service contracts issued by a motor vehicle manufacturer, distributor or importer.

Sec. 2. [EFFECTIVE DATE.]

Section 1, subdivision 7, is effective the day following final enactment. Service contract providers and issuers of reimbursement policies shall have until January 1, 1985, to comply with section 1, subdivisions 4 and 5."

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

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

S.F. No. 2076: A bill for an act relating to transportation; authorizing extension of I-35 in Duluth; amending Minnesota Statutes 1982, sections 161.12; and 161.1245, by adding a subdivision.

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

Page 3, lines 5 and 6, delete *"is authorized and directed to"* and insert *"shall"*

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

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

S.F. No. 1967: A bill for an act relating to transportation; authorizing the expenditure of county turnback account funds and state transportation bond funds for bridges ten feet or more in length following replacement; amending Minnesota Statutes 1982, section 174.50, subdivision 7; and Minnesota

Statutes 1983 Supplement, section 161.082, subdivision 2a.

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. 1744: A bill for an act relating to motor vehicles; increasing and expanding license plate fees; establishing the license plate revolving fund; amending Minnesota Statutes 1982, section 168.12, subdivisions 1, 5, and by adding a subdivision.

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

Page 3, line 27, delete "FUND" and insert "ACCOUNT"

Page 3, lines 28 and 35, delete "*fund*" and insert "*account*"

Page 3, lines 34 and 36, delete "*unobligated*" and insert "*unencumbered*"

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

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

S.F. No. 1834: A bill for an act relating to corporations; providing for the determination of eligibility for the indemnification of certain persons; prohibiting the modification in the bylaws of a certain provision relating to the voting power of shares; providing for cumulative voting for directors; providing a time limit on claims rejected by a corporation; amending Minnesota Statutes 1982, sections 302A.111, subdivisions 2 and 3; 302A.445, subdivision 3; and 302A.729, subdivision 1; Minnesota Statutes 1983 Supplement, sections 300.083, subdivision 6; and 302A.521, subdivision 6.

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

Page 1, after line 14, insert:

"Section 1. Minnesota Statutes 1982, section 297.04, subdivision 3, is amended to read:

Subd. 3. [NON-RESIDENT.] A person without this state who ships or transports cigarettes to retailers in this state, to be sold by those retailers, may make application for license as a distributor, be granted such a license by the commissioner, and thereafter be subject to all the provisions of sections 297.01 to 297.13 and entitled to act as a licensed distributor, provided he files proof with his application that he has appointed the secretary of state for service of process relating to any matter of issue arising under sections 297.01 to 297.13. ~~A foreign corporation applying for a distributor's license need not qualify as such if it files the proof of appointment of the secretary of state for service of process as provided in this subdivision.~~

Page 6, after line 8, insert:

"Sec. 5. Minnesota Statutes 1982, section 302A.115, subdivision 1, is

amended to read:

Subdivision 1. [REQUIREMENTS; PROHIBITIONS.] The corporate name:

(a) Shall be in the English language or in any other language expressed in English letters or characters;

(b) Shall contain the word "corporation", "incorporated", or "limited", or shall contain an abbreviation of one or more of these words, or the word "company" or the abbreviation "Co." if that word or abbreviation is not immediately preceded by the word "and" or the character "&"

(c) Shall not contain a word or phrase that indicates or implies that it is incorporated for a purpose other than one or more business purposes for which a corporation may be incorporated under this chapter;

(d) Shall not be the same as, or deceptively similar to, the name of a domestic corporation *or limited partnership*, or a foreign corporation *or limited partnership* authorized *or registered* to do business in this state, or a name the right to which is, at the time of incorporation, reserved *or provided for in the manner provided in section sections 302A.117 or in sections, 322A.03, or 333.001 to 333.54*, unless there is filed with the articles one of the following:

(1) The written consent of the domestic corporation *or limited partnership* or foreign corporation *or limited partnership* authorized *or registered* to do business in this state *or the holder of a reserved name or a name filed by or registered with the secretary of state under sections 333.001 to 333.54* having the same or a deceptively similar name *or the holder of a reserved name to use the same or deceptively similar name*;

(2) A certified copy of a final decree of a court in this state establishing the prior right of the applicant to the use of the name in this state; or

(3) The applicant's affidavit that the corporation *or limited partnership* with the same or deceptively similar name has been incorporated *or on file* in this state for at least three years *prior to the affidavit*, if it is a domestic corporation *or limited partnership*, or has been authorized *or registered* to do business in this state for at least three years *prior to the affidavit*, if it is a foreign corporation *or limited partnership*, or that the holder of a name filed or registered with the secretary of state under sections 333.001 to 333.54 filed or registered that name at least three years prior to the affidavit, and has not during the three year period filed any document with the secretary of state; that the applicant has mailed written notice to the corporation *or limited partnership* or the holder of a name filed or registered with the secretary of state under sections 333.001 to 333.54 by certified mail, return receipt requested, properly addressed to the registered office of the corporation *or in care of the agent of the limited partnership*, or the address of the holder of a name filed or registered with the secretary of state under sections 333.001 to 333.54, shown in the records of the secretary of state, that the applicant intends to use the same or deceptively similar name and the notice has been returned to the applicant as undeliverable to the addressee corporation *or limited partnership* or holder of a name filed or registered with the secretary of state under sections 333.001 to 333.54; that the applicant, after diligent inquiry, has been unable to find any telephone listing for the corporation *or limited partnership* with the same or deceptively similar name in the county

in which is located the registered office of the corporation shown in the records of the secretary of state or has been unable to find any telephone listing for the holder of a name filed or registered with the secretary of state under sections 333.001 to 333.54 in the county in which is located the address of the holder shown in the records of the secretary of state; and that the applicant has no knowledge that the corporation or *limited partnership* or holder of a name filed or registered with the secretary of state under sections 333.001 to 333.54 is currently engaged in business in this state.

Sec. 6. Minnesota Statutes 1982, section 302A.131, is amended to read:

302A.131 [AMENDMENT OF ARTICLES.]

The articles of a corporation may be amended at any time to include or modify any provision that is required or permitted to appear in the articles or to omit any provision not required to be included in the articles, except that when articles are amended to restate them, the name and address of each incorporator may be omitted. Unless otherwise provided in this chapter, the articles may be amended or modified only in accordance with sections 302A.133 to 302A.139. *An amendment which merely restates the then-existing articles of incorporation, as amended, is not an amendment for the purposes of sections 302A.137, 302A.215, subdivision 2, or 302A.413, subdivision 9.*"

Page 8, delete section 7 and insert:

"Sec. 10. Minnesota Statutes 1982, section 302A.729, subdivision 2, is amended to read:

Subd. 2. [STATUTE OF LIMITATIONS.] The claim of a creditor or claimant to whom notice is not given *and for whom payment of any debt is not made or provided for* and who does not initiate legal, administrative, or arbitration proceedings concerning the claim within two years after the date of filing the notice of intent to dissolve is thereafter subject to the provisions of 302A.781.

Sec. 11. Minnesota Statutes 1982, section 302A.733, subdivision 2, is amended to read:

Subd. 2. [CONTENTS OF ARTICLES.] The articles of dissolution shall state:

(a) Whether notice has been given to all creditors and claimants of the corporation in the manner provided in section 103, and, if notice has been given, the last date on which the notice was given and the date on which the longer of the periods described in section 302A.729, subdivision 1, clause (c) expired; *or*

(b) *If notice was not given*, that all debts, obligations, and liabilities of the corporation have been paid and discharged or that adequate provisions have been made therefor; *and*

(c) That the remaining property, assets, and claims of the corporation have been distributed among its shareholders in accordance with section 302A.551, subdivision 4, or that adequate provision has been made for that distribution; *and*

(d) That there are no pending legal, administrative, or arbitration proceedings by or against the corporation, or that adequate provision has been made for the satisfaction of any judgment, order, or decree that may be entered

against it in a pending proceeding, and that all other claims are barred under section 302A.781.

Sec. 12. Minnesota Statutes 1982, section 303.06, subdivision 1, is amended to read:

Subdivision 1. [CONTENTS.] In order to procure a certificate of authority to transact business in this state, a foreign corporation shall make application therefor to the secretary of state, which application shall set forth:

(1) The name of the corporation and the state or country under the laws of which it is organized;

(2) If the name of the corporation does not end with the word "Corporation" or the word "Incorporated," or the abbreviation "Inc.," or does not contain the word "Company" or the abbreviation "Co.," not immediately preceded by the word "and" or the character "&," and such words or abbreviations are required by comply with section 303.05 to be included in or added to the name of the corporation, then the name of the corporation with the word or abbreviation which it agrees to add thereto for use in this state;

(3) The date of its incorporation and the period of its duration;

(4) The address of its principal office in the state or country under the laws of which it is organized;

(5) The address of its proposed registered office in this state and the name of its proposed registered agent in this state;

(6) That it irrevocably consents to the service of process upon it as set forth in section 303.13, or any amendment thereto;

(7) The names and respective addresses of its directors and officers;

(8) A statement of the aggregate number of shares having par value and of shares without par value which it shall have authority to issue, itemized by classes and series;

(9) A statement of the aggregate number of its issued or allotted shares having par value and of shares without par value, itemized by classes and series; and

(10) A statement that the officers executing the application have been duly authorized so to do by the board of directors of the corporation.

Sec. 13. Minnesota Statutes 1982, section 303.13, subdivision 1, is amended to read:

Subdivision 1. [FOREIGN CORPORATION.] A foreign corporation shall be subject to service of process, as follows:

(1) By service thereof on its registered agent;

(2) When any foreign corporation authorized to transact business in this state fails to appoint or maintain in this state a registered agent upon whom service of process may be had, or whenever any registered agent cannot be found at its registered office in this state, as shown by the return of the sheriff of the county in which the registered office is situated, or by an affidavit of attempted service by any person not a party, or whenever any corporation withdraws from the state, or whenever the certificate of authority of any

foreign corporation is revoked or canceled, service may be made by delivering to and leaving with the secretary of state, or with any deputy or clerk in the corporation department of his office, three copies thereof and a fee of \$15; provided, that after a foreign corporation withdraws from the state, pursuant to section 303.16, service upon the corporation may be made pursuant to the provisions of this section only when based upon a liability or obligation of the corporation incurred within this state or arising out of any business done in this state by the corporation prior to the issuance of a certificate of withdrawal.

(3) If a foreign corporation makes a contract with a resident of Minnesota to be performed in whole or in part by either party in Minnesota, or if a foreign corporation commits a tort in whole or in part in Minnesota against a resident of Minnesota, such acts shall be deemed to be doing business in Minnesota by the foreign corporation and shall be deemed equivalent to the appointment by the foreign corporation of the secretary of the state of Minnesota and his successors to be its true and lawful attorney upon whom may be served all lawful process in any actions or proceedings against the foreign corporation arising from or growing out of the contract or tort. Process shall be served in duplicate upon the secretary of state, together with a fee of \$15 and the secretary of state shall mail one copy thereof to the corporation at its last known address, and the corporation shall have ~~20~~ 30 days within which to answer from the date of the mailing, notwithstanding any other provision of the law. The making of the contract or the committing of the tort shall be deemed to be the agreement of the foreign corporation that any process against it which is so served upon the secretary of state shall be of the same legal force and effect as if served personally on it within the state of Minnesota.

Sec. 14. Minnesota Statutes 1982, section 303.13, subdivision 3, is amended to read:

Subd. 3. [TIME TO ANSWER.] If any summons is so served upon the secretary of state, the corporation so served shall have 30 days *from the date of mailing by the secretary* in which to answer the complaint.

Sec. 15. Minnesota Statutes 1982, section 303.17, subdivision 3, is amended to read:

Subd. 3. [REVOCATION AFTER 30 DAYS.] The secretary of state shall revoke the certificate of authority of such corporation to do business in this state if such default shall not be cured with such period of 30 days; provided, that for good cause shown the secretary of state may enlarge the period from time to time, but the aggregate of such enlargements shall not exceed ~~three months~~ 180 days or the period of any applicable extension granted by the department of revenue of time for filing the income tax return of the corporation, whichever is greater.

Sec. 16. Minnesota Statutes 1982, section 317.09, subdivision 2, is amended to read:

Subd. 2. [USE OF SIMILAR NAME FORBIDDEN.] The corporate name shall not be the same as, nor deceptively similar to, the name of any ~~other~~ assumed name, trade or service mark, or limited partnership, or domestic corporation, whether profit or nonprofit, or of any foreign corporation or foreign limited partnership, whether profit or nonprofit, authorized or regis-

tered to do business in this state or to any name reserved under section 302A.117 or 322A.03, unless:

(1) the domestic or foreign corporation is about to change its name, or to cease to do business, or is being wound up, or the foreign corporation is about to withdraw from doing business in this state; and

(2) ~~the there is filed with the articles a written consent, court decree of prior right, or affidavit of non-use of such domestic or foreign corporation to the adoption of its name, or of a deceptively similar name, has been given and is filed with the articles of incorporation the kind required by section 302A.115, subdivision 1, paragraph (d).~~

The secretary of state shall determine whether a name is "deceptively similar" to another name for purposes of this section. This section does not abrogate or limit the law of unfair competition or unfair practices, nor sections 333.001 to 333.54, nor the laws of the United States with respect to the right to acquire and protect copyrights, trademarks, service names, service marks, or any other rights to the exclusive use of names or symbols, nor derogate the common law or principles of equity.

Sec. 17. Minnesota Statutes 1982, section 318.02, subdivision 1, is amended to read:

Subdivision 1. The term "declaration of trust" as used in this section means the declaration of trust, business trust instrument, trust indenture, contract of custodianship, or other instrument pursuant to which such association is organized. Every such association organized after April 20, 1961, for the purpose of transacting business in this state shall, prior to transacting any business in this state, file in the office of the secretary of state a true and correct copy of the "declaration of trust" under which the association proposes to conduct its business, which copy shall be sworn to, as being a true and correct copy, by the chairman of the board of trustees of such association, or by one of the trustees of such association, or by one of the persons or parties to the "declaration of trust." The said sworn statement shall also contain a statement that the true and correct copy of the "declaration of trust" is being filed in the office of the secretary of state of the state of Minnesota pursuant to ~~Minnesota Statutes 1961, chapter 318, and all acts amendatory thereof~~ and shall also include the full name and street address of an agent of the business trust in this state. That agent shall be the agent for service of process which shall be made pursuant to the provisions of section 543.08. The "declaration of trust" may provide that the duration of such association shall be perpetual. Upon the filing of the copy of the "declaration of trust" and the payment of a filing fee of \$150 to the secretary of state, the secretary of state shall issue to such association, or to the trustees named in the said "declaration of trust," or to the persons or parties to the "declaration of trust," a certificate showing that such "declaration of trust" has been duly filed in his office; whereupon, such association in its name shall be authorized to transact business in this state; provided that all other applicable laws have been complied with. The "declaration of trust" may be amended as provided in the "declaration of trust" or in any amendments thereto but a true and correct copy of all amendments to the "declaration of trust," which copy shall be sworn to in like manner as provided above in filing a true and correct copy of the "declaration of trust," shall be filed in the office of the secretary of state upon the payment of a filing fee of \$50 to the secretary of state and all amendments shall become effective at the time of said filing.

When such copy of the "declaration of trust" and any amendments thereto shall have been filed in the office of the secretary of state it shall constitute public notice as to the purposes and manner of the business to be engaged in by such association.

Sec. 18. Minnesota Statutes 1982, section 322A.02, is amended to read:

322A.02 [NAME.]

The name of each limited partnership as set forth in its certificate of limited partnership:

(1) shall contain without abbreviation the words "limited partnership";

(2) may not contain the name of a limited partner unless (i) it is also the name of a general partner or the corporate name of a corporate general partner, or (ii) the business of the limited partnership had been carried on under that name before the admission of that limited partner;

(3) may not contain any word or phrase indicating or implying that it is organized other than for a purpose stated in its certificate of limited partnership;

(4) may not be the same as, or deceptively similar to, the name of ~~any a~~ domestic corporation or limited partnership ~~organized under the laws of this state or a foreign corporation or limited partnership authorized licensed or registered as a foreign corporation or limited partnership to do business in this state or a name the right to which is reserved or provided for in the manner provided for in sections 302A.117, 322A.03, or 333.001 to 333.54, unless there is filed with the certificate a written consent, court decree of prior right, or affidavit of non-use, of the kind required by section 302A.115, subdivision 1, paragraph (d); and~~

(5) may not contain the following words: corporation, incorporated.

The secretary of state shall determine whether a name is "deceptively similar" to another name for purposes of this section and section 322A.03. This section does not abrogate or limit the law of unfair competition or unfair practices, nor sections 333.001 to 333.54, nor the laws of the United States with respect to the right to acquire and protect copyrights, trademarks, service names, service marks, or any other rights to the exclusive use of names or symbols, nor derogate the common law or principles of equity.

Sec. 19. Minnesota Statutes 1982, section 322A.86, is amended to read:

322A.86 [RELATIONSHIP TO SECTIONS 322.01 TO 322.31.]

A domestic limited partnership existing on January 1, 1981, shall be governed by sections 322.01 to 322.31 unless (1) the limited partnership elects to come under the provisions of sections 322A.01 to 322A.85, and the certificate of limited partnership is amended to reflect the intention ~~and, the election and a certified copy of all previously filed limited partnership documents~~ is filed with the secretary of state, ~~and the election is filed with the county recorder~~; and (2) to so elect is not prohibited by the terms of the certificate of limited partnership in effect prior to January 1, 1981. A domestic limited partnership formed after December 31, 1980 shall be governed by sections 322A.01 to 322A.85.

Sec. 20. Minnesota Statutes 1982, section 331.02, subdivision 1, is

amended to read:

Subdivision 1. [QUALIFICATIONS.] In order to be qualified as a medium of official and legal publication, a newspaper shall:

(1) Be printed in the English language in newspaper format and in column and sheet form equivalent in printed space to at least 1,200 square inches;

(2) If a weekly, be distributed at least once each week for 50 weeks each year, or if a daily, at least five days each week; but in any week in which a legal holiday is included, not more than four issues of a daily paper are necessary;

(3) In at least half of its issues each year, have no more than 75 percent of its printed space comprised of advertising material and paid legal notices; and in all of its issues each year, have 25 percent if published more often than weekly or 50 percent, if weekly, of its news columns devoted to news of local interest to the community which it purports to serve, but not more than 25 percent of its total nonadvertising column inches in any issue may wholly duplicate any other publication unless the duplicated material is from recognized general news services;

(4) Be circulated in and near the municipality which it purports to serve, and have at least 500 copies regularly delivered to paying subscribers and have entry as second-class matter in its local post office, or have at least 500 copies regularly distributed without charge to local residents;

(5) Have its known office of issue established in the county in which lies, in whole or in part, the municipality which the newspaper purports to serve;

(6) File a copy of each issue immediately with the state historical society;

(6a) Be made available at single or subscription prices to any person, corporation, partnership or other unincorporated association requesting the newspaper and making the applicable payment, or be distributed without charge to local residents;

(7) Have complied with all the foregoing conditions of this subdivision for at least one year last past;

(8) The newspaper must annually publish and submit to the secretary of state a sworn United States Post Office second-class statement of ownership and circulation or in the absence of a permit must annually publish and submit a comparable statement of ownership and circulation covering a one year period ending not more than three months prior to publication verified by a recognized independent circulation auditing agency;

(9) The newspaper shall, between October 1 and December 31 of each year, submit to the secretary of state a sworn printers affidavit of publication accompanied by the published statement required by section 331.02, subdivision 1, clause (8), that it has complied with all of the requirements of this subdivision. A newspaper which files the affidavit shall be qualified as a legal newspaper for the calendar year following filing.

Sec. 21. Minnesota Statutes 1982, section 333.001, subdivision 3, is amended to read:

Subd. 3. [TRUE NAME.] "True name" means the true full name of the

natural person, if a proprietorship; the true full name of ~~at least one~~ each partner, if a partnership; the full corporate name as stated in its articles, if a corporation; the full name of the limited partnership, if a limited partnership; the true full name of at least one trustee, if a trust; or the true full name of at least one beneficial owner, if any other form of business organization.

Sec. 22. Minnesota Statutes 1982, section 333.001, subdivision 4, is amended to read:

Subd. 4. "Address" means the full residential address of each natural person, trustee or beneficial owner, or ~~any~~ corporation, included in subdivision 3, and the address of the principal place in Minnesota where the business is conducted or transacted, ~~if different~~.

Sec. 23. Minnesota Statutes 1982, section 333.01, is amended to read:

333.01 [COMMERCIAL ASSUMED NAMES; CERTIFICATE.]

No person shall hereafter carry on or conduct or transact a commercial business in this state under any designation, name, or style, which does not set forth the true name of every person interested in such business unless such person shall file in the office of the secretary of state, a certificate setting forth the name *and business address* under which the business is conducted or transacted, or is to be conducted or transacted, and the true name of ~~the~~ each person conducting or transacting the same, with the address of such person. The certificate shall be executed and duly acknowledged by one of the persons conducting, or intending to conduct, the business. The certificate shall be published in a qualified newspaper in the county in which the person has a principal or registered office for two successive issues.

Sec. 24. Minnesota Statutes 1982, section 333.06, is amended to read:

333.06 [PLEADING FAILURE TO FILE CERTIFICATE; COSTS.]

If any person conducting a business contrary to the terms of sections 333.001 to 333.06 shall, prior to the filing of the certificate and proof of publication therein prescribed, commence a civil action, including an action to recover possession of real property in any court of this state on account of any contract made by, or transaction had on behalf of the business, the defendant may plead such failure in abatement of the action; and all proceedings had in the action shall thereupon be stayed until the certificate provided for by sections 333.001 to 333.06 is duly filed, and the defendant, in case he prevails in the action, shall also be entitled to tax \$50 costs, in addition to such other statutory costs as may be allowed by law, and, in case he does not prevail in the action, shall be entitled to deduct \$50 from the judgment otherwise recoverable therein and if a judgment for money is not otherwise recoverable therein, he shall be entitled to tax \$50 costs. *If such a person defends against a civil action, the plaintiff shall be entitled to tax \$50 costs, regardless of which party prevails upon the merits.*

Sec. 25. Minnesota Statutes 1982, section 333.19, subdivision 1, is amended to read:

Subdivision 1. A trademark or service mark by which the goods or services of any applicant for registration may be distinguished from the goods or services of others shall not be registered if it:

(1) consists of or comprises immoral, deceptive or scandalous matter; or

(2) consists of or comprises matter which may disparage or falsely suggest a connection with persons, living or dead, institutions, beliefs, or national symbols, or bring them into contempt, or disrepute; or

(3) consists of or comprises the flag or coat of arms or other insignia of the United States, or of any state or municipality, or of any foreign nation, or any simulation thereof; or

(4) consists of or comprises the name, signature or portrait of any living individual, except with his written consent; or

(5) consists of a mark which, (a) when applied to the goods or used to identify the services of the applicant, is merely descriptive or deceptively misdescriptive of them, or (b) when applied to the goods or used to identify the services of the applicant is primarily geographically descriptive or deceptively misdescriptive of them, or (c) is primarily merely a surname provided, however, that nothing in this subsection (5) shall prevent the registration of a mark used in this state by the applicant which has become distinctive of the applicant's goods or services. The secretary of state may accept as evidence that the mark has become distinctive, as applied to the applicant's goods or used to identify the services, proof of substantially exclusive and continuous use thereof as a mark by the applicant in this state for the five years next preceding the date of the filing of the application for registration; or

(6) consists of or comprises a mark which so resembles a mark registered in this state or a corporate *or limited partnership* name in use or reserved in this state by another, or a mark or trade name previously used in this state by another and not abandoned, as to be likely, when applied to the goods or used to identify the services of the applicant, to cause confusion or mistake or to deceive. *The secretary of state may require affidavits by both the applicant and by the holder of the previously registered name or mark in making this determination.*

Sec. 26. Minnesota Statutes 1982, section 333.21, subdivision 1, is amended to read:

Subdivision 1. Upon a finding by the secretary of state that the mark and application for registration comply with the requirements of sections 333.18 to 333.31, *and that the class indicated, if any, in which the mark is to be registered is not clearly incorrect*, he shall cause a certificate of registration to be issued and delivered to the applicant. The certificate of registration shall be issued under the signature of the secretary of state and the seal of the state, and shall show the registrant's name and business address and, if a corporation, the state of incorporation, the date claimed for the first use of the mark in this state, the class of goods or services and a description of the goods or services in connection with which the mark is used, a reproduction of the mark, the registration date and the term of the registration.

Sec. 27. Minnesota Statutes 1983 Supplement, section 336.9-401, is amended to read:

336.9-401 [PLACE OF FILING; ERRONEOUS FILING; REMOVAL OF COLLATERAL.]

(1) The proper place to file in order to perfect a security interest is as

follows:

(a) When the collateral is consumer goods, or motor vehicles which are not ~~inventory covered by a certificate of title~~, then in the office of the county recorder in the county of the debtor's residence if the debtor is an individual who is a resident of this state but if the debtor is an individual who is not a resident of this state or is a corporation, partnership or other organization then in the office of the secretary of state;

(b) When the collateral is equipment to be used in farming operations, or farm products, or accounts or general intangibles arising from or relating to the sale of farm products by a farmer, or crops growing or to be grown, then in the office of the county recorder in the county of the debtor's residence if the debtor is an individual or organization with residence in this state, but if the debtor is not a resident of this state, then in the office of the secretary of state;

(c) When the collateral is timber to be cut or is minerals or the like (including oil and gas) or accounts subject to subsection (5) of section 336.9-103, or when the financing statement is filed as a fixture filing (section 336.9-313) and the collateral is goods which are or are to become fixtures, then in the office where a mortgage on the real estate would be filed or recorded;

(d) In all other cases, in the office of the secretary of state.

(2) A filing which is made in good faith in an improper place or not in all of the places required by this section is nevertheless effective with regard to any collateral as to which the filing complied with the requirements of this article and is also effective with regard to collateral covered by the financing statement against any person who has knowledge of the contents of such financing statement.

(3) A filing which is made in the proper place in this state continues effective even though the debtor's residence in this state or the use of the collateral, whichever controlled the original filing, is thereafter changed.

(4) The rules stated in section 336.9-103 determine whether filing is necessary in this state.

(5) Notwithstanding the preceding subsections, the proper place to file in order to perfect a security interest in collateral, including fixtures, of a transmitting utility is the office of the secretary of state. Such a filing shall not be deemed a separate filing from the filings required by other laws, if applicable, set forth in subsection (3) of section 336.9-302. This filing constitutes a fixture filing (section 336.9-313) as to the collateral described therein which is or is to become fixtures.

(6) For the purposes of this section, the residence of an organization is its place of business if it has one or its chief executive office if it has more than one place of business.

(7) "Motor vehicle" means any device propelled or drawn by any power other than muscular power in, upon, or by which any person or property is or may be transported or drawn upon a highway, excepting building and road construction equipment.

Sec. 28. Minnesota Statutes 1982, section 336.9-402, is amended to read:

336.9-402 [FORMAL REQUISITES OF FINANCING STATEMENT;
AMENDMENTS; MORTGAGE AS FINANCING STATEMENT.]

(1) A financing statement is sufficient if it gives the name of the debtor and the secured party, is signed by the debtor, gives an address of the secured party from which information concerning the security interest may be obtained, gives a mailing address of the debtor and contains a statement indicating the types or describing the items, of collateral. A financing statement may be filed before a security agreement is made or a security interest otherwise attaches. When the financing statement covers crops growing or to be grown, the statement must also contain a description of the real estate concerned and the name of the record owner thereof. When the financing statement covers timber to be cut or covers minerals or the like (including oil and gas) or accounts subject to subsection (5) of section 336.9-103, or when the financing statement is filed as a fixture filing (section 336.9-313) and the collateral is goods which are or are to become fixtures, the statement must also comply with subsection (5). A copy of the security agreement is sufficient as a financing statement if it contains the above information and is signed by the debtor. A carbon, photographic or other reproduction of a security agreement or a financing statement is sufficient as a financing statement if the security agreement so provides or if the original has been filed in this state.

(2) A financing statement which otherwise complies with subsection (1) is sufficient when it is signed by the secured party instead of the debtor when it is filed to perfect a security interest in

(a) collateral already subject to a security interest in another jurisdiction when it is brought into this state, or when the debtor's location is changed to this state. Such a financing statement must state that the collateral was brought into this state or that the debtor's location was changed to this state under such circumstances; or

(b) proceeds under section 336.9-306 if the security interest in the original collateral was perfected. Such a financing statement must describe the original collateral; or

(c) collateral as to which the filing has lapsed *within one year*; or

(d) collateral acquired after a change of name, identity or corporate structure of the debtor (subsection (7)); or

(e) *a personal service lien including but not limited to veterinarian, mechanic, attorney, male service animal, and processing farm products*; or

(f) *collateral which is subject to a filed judgment.*

(2a) *Except for documents filed under clauses (e) and (f), the reason for the omission of the debtor signature must be stated on the front of the financing statement.*

(3) A form substantially as follows is sufficient to comply with subsection (1):

Name of debtor (or assignor)

.....

Address

.....
Name of secured party (or assignee)

.....
Address

.....
1. This financing statement covers the following types (or items) of property:

(Describe)

.....
2. (If collateral is crops) The above described crops are growing or are to be grown on:

(Describe real estate and the name of the record owner thereof)

.....
3. (If applicable) The above goods are to become fixtures on

(Describe real estate)..... and this financing statement is to be filed for record in the real estate records. (If the debtor does not have an interest of record) The name of a record owner is

4. (If products of collateral are claimed)

Products of the collateral are also covered.

Use whichever signature line is applicable.

Signature of debtor (or assignor)

.....
Signature of secured party (or assignee)

.....
(4) A financing statement may be amended by filing a writing signed by both the debtor and the secured party. *If the sole purpose of the amendment is to change the name or address of the secured party, only the secured party need sign the amendment. A writing is sufficient if it sets forth the name and address of the debtor and secured party as those items appear on the original financing statement or the most recently filed amendment, the file number and date of filing of the financing statement.* An amendment does not extend the period of effectiveness of a financing statement. If any amendment adds collateral, it is effective as to the added collateral only from the filing date of the amendment. In this article, unless the context otherwise requires, the term "financing statement" means the original financing statement and any amendments.

(5) A financing statement covering timber to be cut or covering minerals or the like (including oil and gas) or accounts subject to subsection (5) of section 336.9-103, or a financing statement filed as a fixture filing (section 336.9-313) where the debtor is not a transmitting utility, must show that it covers this type of collateral, must recite that it is to be filed for record in the real

estate records, and the financing statement must contain a description of the real estate sufficient if it were contained in a mortgage of the real estate to give constructive notice of the mortgage under the law of this state. If the debtor does not have an interest of record in the real estate, the financing statement must show the name of a record owner. No description of the real estate or the name of the record owner thereof is required for a fixture filing where the debtor is a transmitting utility. Notwithstanding the foregoing a general description of the real estate is sufficient for a fixture filing where a railroad is the record owner of the real estate on which the fixtures are or are to be located; and for the purposes of this subsection, the requirement of a general description is satisfied if the fixture filing (1) identifies the section, township and range numbers of the county in which the land is located; (2) identifies the quarter-quarter of the section that the land is located in; (3) indicates the name of the record owner of the real estate; and (4) states the street address of the real estate if one exists.

(6) A mortgage is effective as a financing statement filed as a fixture filing from the date of its recording if (a) the goods are described in the mortgage by item or type, (b) the goods are or are to become fixtures related to the real estate described in the mortgage, (c) the mortgage complies with the requirements for a financing statement in this section other than a recital that it is to be filed in the real estate records, and (d) the mortgage is duly recorded. No fee with reference to the financing statement is required other than the regular recording and satisfaction fees with respect to the mortgage.

(7) A financing statement sufficiently shows the name of the debtor if it gives the individual, partnership or corporate name of the debtor, whether or not it adds other trade names or the names of partners. Where the debtor so changes his name or in the case of an organization its name, identity or corporate structure that a filed financing statement becomes seriously misleading, the filing is not effective to perfect a security interest in collateral acquired by the debtor more than four months after the change, unless a new appropriate financing statement is filed before the expiration of that time. A filed financing statement remains effective with respect to collateral transferred by the debtor even though the secured party knows of or consents to the transfer.

(8) A financing statement substantially complying with the requirements of this section is effective even though it contains minor errors which are not seriously misleading.

Sec. 29. Minnesota Statutes 1982, section 336.9-403, is amended to read:

336.9-403 [WHAT CONSTITUTES FILING; DURATION OF FILING; EFFECT OF LAPSED FILING; DUTIES OF FILING OFFICER.]

(1) Presentation for filing of a financing statement and tender of the filing fee or acceptance of the statement by the filing officer constitutes filing under this article.

(2) Except as provided in subsection (6) a filed financing statement is effective for a period of five years from the date of filing. The effectiveness of a filed financing statement lapses on the expiration of the five year period unless a continuation statement is filed prior to the lapse. If a security interest perfected by filing exists at the time insolvency proceedings are commenced

by or against the debtor, the security interest remains perfected until termination of the insolvency proceedings and thereafter for a period of 60 days or until expiration of the five year period, whichever occurs later regardless of whether the financing statement filed as to that security interest is destroyed by the filing officer pursuant to subsection (3). Upon lapse the security interest becomes unperfected, unless it is perfected without filing. If the security interest becomes unperfected upon lapse, it is deemed to have been unperfected as against a person who became a purchaser or lien creditor before lapse.

(3) A continuation statement may be filed by the secured party within six months prior to the expiration of the five year period specified in subsection (2). Any such continuation statement must be signed by the secured party, *set forth the name and address of the debtor and secured party as those items appear on the original financing statement or the most recently filed amendment*, identify the original statement by file number and filing date, and state that the original statement is still effective. A continuation statement signed by a person other than the secured party of record must be accompanied by a separate written statement of assignment signed by the secured party of record and complying with subsection (2) of section 336.9-405, including payment of the required fee. Upon timely filing of the continuation statement, the effectiveness of the original statement is continued for five years after the last date to which the filing was effective whereupon it lapses in the same manner as provided in subsection (2) unless another continuation statement is filed prior to such lapse. Succeeding continuation statements may be filed in the same manner to continue the effectiveness of the original statement. Unless a statute on disposition of public records provides otherwise, the filing officer may remove a lapsed statement from the files and destroy it immediately if he has retained a microfilm or other photographic record, or in other cases after one year after the lapse. The filing officer shall so arrange matters by physical annexation of financing statements to continuation statements or other related filings, or by other means, that if he physically destroys the financing statements of a period more than five years past, those which have been continued by a continuation statement or which are still effective under subsection (6) shall be retained. If insolvency proceedings are commenced by or against the debtor, the secured party shall notify the filing officer both upon commencement and termination of the proceedings, and the filing officer shall not destroy any financing statements filed with respect to the debtor until termination of the insolvency proceedings. The security interest remains perfected until termination of the insolvency proceedings and thereafter for a period of 60 days or until expiration of the five year period, whichever occurs later.

(4) Except as provided in subsection (7) a filing officer shall mark each statement with a file number and with the date and hour of filing and shall hold the statement or a microfilm or other photographic copy thereof for public inspection. In addition the filing officer shall index the statements according to the name of the debtor and shall note in the index the file number and the address of the debtor given in the statement.

(5) The secretary of state shall prescribe uniform forms for statements and samples thereof shall be furnished to all filing officers in the state. The uniform fee for filing and indexing and for stamping a copy furnished by the

secured party to show the date and place of filing for an original financing statement or for a continuation statement shall be \$5 if the statement is in the standard form prescribed by the secretary of state and otherwise shall be \$10, plus in each case, if the financing statement is subject to subsection (5) of section 336.9-402, \$5. An additional fee of \$5 shall be collected if more than one name is required to be indexed or if the secured party, at his option, shows a trade name for any debtor listed. There shall be no fee collected for the filing of an amendment to a financing statement if the amendment is in the standard form prescribed by the secretary of state and ~~otherwise it shall be \$5~~ *does not add additional debtor names to the financing statement. The fee for an amendment adding additional debtor names shall be \$5 if the amendment is in the form prescribed by the secretary of state and, if otherwise, \$10. The fee for an amendment which is not in the form prescribed by the secretary of state but which does not add additional names shall be \$5.*

(6) If the debtor is a transmitting utility (subsection (5) of section 336.9-401) and a filed financing statement so states, it is effective until a termination statement is filed. A real estate mortgage which is effective as a fixture filing under subsection (6) of section 336.9-402 remains effective as a fixture filing until the mortgage is released or satisfied of record or its effectiveness otherwise terminates as to the real estate.

(7) When a financing statement covers timber to be cut or covers minerals or the like (including oil and gas) or accounts subject to subsection (5) of section 336.9-103, or is filed as a fixture filing, it shall be filed for record and the filing officer shall index it under the names of the debtor and any owner of record shown on the financing statement in the same fashion as if they were the mortgagors in a mortgage of the real estate described, and, to the extent that the law of this state provides for indexing of mortgages under the name of the mortgagee, under the name of the secured party as if he were the mortgagee thereunder, or, for filing offices other than the secretary of state, where indexing is by description in the same fashion as if the financing statement were a mortgage of the real estate described. If requested of the filing officer on the financing statement, a financing statement filed for record as a fixture filing in the same office where nonfixture filings are made is effective, without a dual filing, as to collateral listed thereon for which filing is required in such office pursuant to section 336.9-401 (1) (a); in such case, the filing officer shall also index the recorded statement in accordance with subsection (4) using the recording data in lieu of a file number.

(8) The fees provided for in this article shall supersede the fees for similar services otherwise provided for by law except in the case of security interests filed in connection with a certificate of title on a motor vehicle.

Sec. 30. Minnesota Statutes 1982, section 336.9-404, is amended to read:

336.9-404 [TERMINATION STATEMENT.]

(1) If a financing statement covering consumer goods is filed on or after January 1, 1977, then within one month or within ten days following written demand by the debtor after there is no outstanding secured obligation and no commitment to make advances, incur obligations or otherwise give value, the secured party must file with each filing officer with whom the financing statement was filed, a termination statement to the effect that he no longer claims a security interest under the financing statement, ~~which shall be iden-~~

ified by file number. The termination statement must set forth the name and address of the debtor and secured party as those items appear on the original financing statement or the most recently filed amendment; identify the original financing statement by file number and filing date; and be signed by the secured party. In other cases whenever there is no outstanding secured obligation and no commitment to make advances, incur obligations, or otherwise give value, the secured party must on written demand by the debtor send the debtor, for each filing officer with whom the financing statement was filed, a termination statement to the effect that he no longer claims a security interest under the financing statement, which shall be identified by file number. A termination statement signed by a person other than the secured party of record must be accompanied by a separate written statement of assignment signed by the secured party of record and complying with subsection (2) of section 336.9-405, including payment of the required fee. If the affected secured party fails to file such a termination statement as required by this subsection, or to send such a termination statement within ten days after proper demand therefor he shall be liable to the debtor for \$100, and in addition for any loss caused to the debtor by such failure.

(2) On presentation to the filing officer of such a termination statement he must note it in the index. If he has received the termination statement in duplicate, he shall return one copy of the termination statement to the secured party stamped to show the time of receipt thereof. If the filing officer has a microfilm or other photographic record of the financing statement, and of any related continuation statement, statement of assignment and statement of release, he may remove the originals from the files at any time after receipt of the termination statement, or if he has no such record, he may remove them from the files at any time after one year after receipt of the termination statement.

(3) There shall be no fee collected for the filing of a termination if the termination statement is in the standard form prescribed by the secretary of state and otherwise shall be \$5, plus in each case, if the original financing statement was subject to subsection (5) of section 336.9-402, the fee prescribed by section 357.18, subdivision 1, clause (1).

Sec. 31. Minnesota Statutes 1982, section 336.9-405, is amended to read:

336.9-405 [ASSIGNMENT OF SECURITY INTEREST; DUTIES OF FILING OFFICER; FEES.]

(1) A financing statement may disclose an assignment of a security interest in the collateral described in the financing statement by indication in the financing statement of the name and address of the assignee or by an assignment itself or a copy thereof on the face or back of the statement. On presentation to the filing officer of such a financing statement the filing officer shall mark the same as provided in section 336.9-403(4). The uniform fee for filing, indexing, and furnishing filing data for a financing statement so indicating an assignment shall be the same as the fee prescribed in section 336.9-403, clause (5).

(2) A secured party may assign of record may assign all or a part of his rights under a financing statement by the filing in the place where the original financing statement was filed of a separate written statement of assignment signed by the secured party of record and, setting forth the name and address

of the secured party of record and the debtor *as those items appear on the original financing statement or the most recently filed amendment, identifying the file number and the date of filing of the financing statement, and the giving the name and address of the assignee and containing a description of the collateral assigned.* A copy of the assignment is sufficient as a separate statement if it complies with the preceding sentence. On presentation to the filing officer of such a separate statement, the filing officer shall mark such separate statement with the date and hour of the filing. He shall note the assignment on the index of the financing statement, or in the case of a fixture filing, or a filing covering timber to be cut, or covering minerals or the like (including oil and gas) or accounts subject to subsection (5) of section 336.9-103, he shall index the assignment under the name of the assignor as grantor and, to the extent that the law of this state provides for indexing the assignment of a mortgage under the name of the assignee, he shall index the assignment of the financing statement under the name of the assignee. The uniform fee for filing, indexing, and furnishing filing data about such a separate statement of assignment shall be \$5 if the statement is in the standard form prescribed by the secretary of state and otherwise shall be \$10, plus in each case, if the original financing statement was subject to subsection (5) of section 336.9-402, the fee prescribed by section 357.18, subdivision 1, clause (1). An additional fee of \$5 shall be charged if there is more than one name against which the statement of assignment is required to be indexed. Notwithstanding the provisions of this subsection, an assignment of record of a security interest in a fixture contained in a mortgage effective as a fixture filing (subsection (6) of section 336.9-402) may be made only by an assignment of the mortgage in the manner provided by the law of this state other than Laws 1976, chapter 135.

(3) After the disclosure or filing of an assignment under this section, the assignee is the secured party of record.

Sec. 32. Minnesota Statutes 1982, section 336.9-406, is amended to read:

336.9-406 [RELEASE OF COLLATERAL; DUTIES OF FILING OFFICER; FEES.]

A secured party of record may by his signed statement release all or a part of any collateral described in a filed financing statement. The statement of release is sufficient if it contains a description of the collateral being released, the name and address of the debtor, ~~the name and address of the secured party as those items appear on the original financing statement or the most recently filed amendment, and the file number of~~ *identifies the original financing statement by file number and filing date.* A statement of release signed by a person other than the secured party of record must be accompanied by a separate written statement of assignment signed by the secured party of record and complying with subsection (2) of section 336.9-405, including payment of the required fee. Upon presentation of such a statement of release to the filing officer he shall mark the statement with the hour and date of filing and shall note the same upon the margin of the index of the filing of the financing statement. There shall be no fee for filing and noting such a statement of release if the statement is in the standard form prescribed by the secretary of state and otherwise shall be \$5, plus in each case, if the original financing statement was subject to subsection (5) of section 336.9-402, the fee prescribed by section 357.18, subdivision 1, clause (1).

Sec. 33. Minnesota Statutes 1982, section 362A.01, subdivision 1, is amended to read:

Subdivision 1. Any county or combination of counties by resolution of the county board or boards may establish a rural development financing authority as a public nonprofit corporation with the same powers and duties as those conferred and imposed on a private nonprofit corporation by chapter 317, and all present and future laws amending or supplementing that chapter, except as otherwise or additionally provided herein. No such authority shall transact any business or exercise any powers until a certified copy of the resolutions of each participating county board has been submitted to the secretary of state and a certificate of incorporation issued pursuant to section 317.10. *Each resolution shall include all of the provisions required by section 317.08, subdivision 2.*

Sec. 34. Minnesota Statutes 1982, section 540.152, is amended to read:

540.152 [SERVICE OF PROCESS ON UNIONS, GROUPS OR ASSOCIATIONS.]

The transaction of any acts, business or activities within the state of Minnesota by any officer, agent, representative, employee or member of any union or other groups or associations having officers, agents, members or property without the state on behalf of the union or other groups or associations or any of its members or affiliated local unions shall be deemed an appointment by the union or other groups or associations of the secretary of state of the state of Minnesota to be the true and lawful attorney of the union or other groups or associations, upon whom may be served all legal processes or notices in any action or proceeding against or involving the union or other groups or associations growing out of any acts, business or activities within the state of Minnesota resulting in damage or loss to person or property or giving rise to any cause of action under the laws of the state of Minnesota or to any matters or proceedings arising under the Minnesota Labor Relations Act. Such acts, business or activities shall be a signification of the agreement of the union or other groups or associations and its members that any process or notice in any action, matter or proceeding against or involving it, which is so served, shall be of the same legal force and validity as if served upon the union or other groups or associations and its members personally. Service of process or notice shall be made by filing a copy thereof in the office of the secretary of state, together with payment of a fee of \$15 and together with an affidavit *stating* that no officer or managing agent of the union or other group or association has been found in this state *and setting forth an address to which the service shall be forwarded*. The service shall be sufficient service upon the union or other groups or associations and its members. Notice of service and a copy of the process or notice shall, within ten days thereafter, be sent by mail by the person who caused it to be served on the union or other groups or associations at its last known address and an affidavit of compliance with the provisions of this chapter shall be filed with the court or other state agency or department before which the action, matter, or proceeding is pending.

Sec. 35. Minnesota Statutes 1982, section 543.08, is amended to read:

543.08 [SUMMONS, SERVICE UPON CERTAIN CORPORATIONS.]

If a private domestic corporation has no officer *at the registered office of*

the corporation within the state upon whom service can be made, of which fact the return of the sheriff of the county in which that office is located, or the affidavit of a private person not a party, that none can be found in his that county shall be conclusive evidence, service of the summons upon it may be made by depositing two copies, together with a fee of \$15 with the secretary of state, which shall be deemed personal service upon the corporation. One of the copies shall be filed by the secretary, and the other forthwith mailed by him to the corporation by certified mail, if the place of its main office is known to him or is disclosed by the files of his office.

If the defendant is a foreign insurance corporation, the summons may be served by two copies delivered to the insurance commissioner, who shall file one in his office and forthwith mail the other postage prepaid to the defendant at its home office.

Sec. 36. Laws 1981, chapter 270, section 144, is amended to read:

Sec. 144. [EFFECTIVE DATES.]

Sections 1 to 121, 123, 124, 126, 129 to 138, 140, 141, and 143 are effective July 1, 1981. Sections 125, 127, 128, 139, and 142 are effective January 1, 1984. Section 122 is effective January 1, ~~1985~~ 1987.

Sec. 37. [REPEALER.]

Minnesota Statutes 1982, sections 5.11; 51A.03, subdivision 5; 62C.06, subdivision 4; 308.15, subdivision 3; and 507.31, subdivision 2 are repealed."

Renumber the sections in sequence

Delete the title and insert:

"A bill for an act relating to the office of the secretary of state; providing for the simplification of various filings with that office; providing for uniform standards for the filing of names of limited partnerships, corporations, cooperatives, and assumed names and marks; shifting the time of publication of certificate of assumed name; providing for the filing and enforcement of security interests; providing for the determination of eligibility for the indemnification of certain persons; prohibiting the modification in bylaws of a certain provision relating to the voting power of shares; providing a time limit on claims to shareholders; delaying the effective date of the corporate registration requirement; amending Minnesota Statutes 1982, sections 297.04, subdivision 3; 302A.111, subdivisions 2 and 3; 302A.115, subdivision 1; 302A.131; 302A.445, subdivision 3; 302A.729, subdivisions 1 and 2; 302A.733, subdivision 2; 303.06, subdivision 1; 303.13, subdivisions 1 and 3; 303.17, subdivision 3; 317.09, subdivision 2; 318.02, subdivision 1; 322A.02; 322A.86; 331.02, subdivision 1; 333.001, subdivisions 3 and 4; 333.01; 333.06; 333.19, subdivision 1; 333.21, subdivision 1; 336.9-402; 336.9-403; 336.9-404; 336.9-405; 336.9-406; 362A.01, subdivision 1; 540.152; 543.08; Minnesota Statutes 1983 Supplement, sections 300.083, subdivision 6; 302A.521, subdivision 6; and 336.9-401; Laws 1981, chapter 270, section 144; repealing Minnesota Statutes 1982, sections 5.11; 51A.03, subdivision 5; 62C.06, subdivision 4; 308.15, subdivision 3; and 507.31, 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. 2042: A bill for an act relating to education; establishing a scholarship program at certain state universities and certain campuses of the University of Minnesota to recruit top scholars in certain fields of study; appropriating money; proposing new law coded in Minnesota Statutes, chapter 135A.

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

Page 2, line 4, delete "*or political science*"

Page 2, line 9, delete "*electrical*"

Page 2, line 19, delete "*in a*" and insert a period

Page 2, delete line 20

Page 2, line 29, delete everything after "*cancel*" and insert a period

Page 2, delete lines 30 to 32

Page 3, line 3, delete everything after the period

Page 3, delete lines 4 and 5

Page 3, line 18, delete "*June 30, 1985*" and insert "*expended*"

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. 1944: A bill for an act relating to education; adding two outstate members to the Minnesota higher education facilities authority; creating an advisory position on the authority; amending Minnesota Statutes 1983 Supplement, section 136A.26.

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

Page 1, line 22, delete "*of a*" and insert "*the*"

Page 1, line 22, delete "*county*" and insert "*area*"

Page 1, line 23, delete "*4*" and insert "*2*"

Page 2, line 5, after "*The*" insert "*chief*"

Page 2, line 6, delete "*director*" and insert "*officer*"

Page 2, line 6, after "*serve*" insert "*, without compensation,*"

Page 2, line 7, delete everything after the period

Page 2, delete line 8

Page 2, line 13, before "*executive*" insert "*chief*"

Page 2, line 13, delete "*director*" and insert "*officer*"

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

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

S.F. No. 1652: A bill for an act relating to commerce; motor fuel franchises; providing for a temporary prohibition on certain building alterations that eliminate service bays.

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

Page 1, line 25, delete the comma

Page 2, line 8, delete "3" and insert "2"

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. 2054: A bill for an act relating to insurance; authorizing the use of smoker and nonsmoker mortality tables; proposing new law coded in Minnesota Statutes, chapter 61A.

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

Page 1, line 12, after the first "tables" insert "*and the 1980 commissioners standard ordinary and 1980 commissioners extended term smoker and nonsmoker mortality tables*"

Page 1, line 14, after "permitting" insert "*smoker/nonsmoker mortality tables for use in determining*"

Page 1, line 18, before the period, insert ", and before January 1, 1989"

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. 1805: A bill for an act relating to commerce; modifying the definition of "franchise" for purposes of franchise regulation; amending Minnesota Statutes 1982, section 80C.01, subdivision 4.

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

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

S.F. No. 1827: A bill for an act relating to financial institutions; qualifying obligations of the African Development Bank for public and private investment; amending Minnesota Statutes 1982, sections 11A.24, subdivision 2;

50.14, by adding a subdivision; and 61A.28, subdivision 2; Minnesota Statutes 1983 Supplement, section 60A.11, subdivision 14.

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

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

H.F. No. 1257: A bill for an act relating to occupations and professions; regulating entertainment agencies; providing penalties; proposing new law coded as Minnesota Statutes, chapter 184A.

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

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

S.F. No. 1480: A bill for an act relating to the dissemination and collection of data; welfare data; providing for the release of information in emergencies; classifying investigative data not on individuals; classifying certain licensing data; establishing procedures for the handling of medical data; amending Minnesota Statutes 1982, section 13.46, subdivisions 3, 4, 5, and 6; and Minnesota Statutes 1983 Supplement, section 13.46, subdivision 2.

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

Page 1, line 23, reinstate the stricken language

Page 1, line 24, delete "*an*"

Page 1, line 25, delete "*an*" and strike "*who*"

Page 1, line 25, delete "*is*" and after "*acting*" insert "*for it*"

Page 2, line 23, delete the new language

Page 2, line 24, strike "*which*" and insert "*that*"

Page 2, line 27; delete the new language

Page 2, line 28, delete "*content of the data, either*"

Page 3, line 20, strike "*which*" and insert "*that*"

Page 3, line 25, delete "*which*" and insert "*that*"

Page 3, line 30, delete "*2*" and insert "*3*"

Page 4, line 2, strike "*that*"

Page 4, line 3, delete "*shall be nonpublic*"

Page 4, line 8, strike "*1, clause (a)*" and insert "*2*"

Page 4, delete section 6

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. 1343: A bill for an act relating to data privacy; classifying the number of sealed bids received as nonpublic data; amending Minnesota Statutes 1982, section 13.37, subdivision 2.

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

Page 1, line 16, strike "bid" and insert "*bids*"

Page 1, delete section 2

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. 1853: A bill for an act relating to veterinarians; permitting certain University of Minnesota employees to perform certain duties; amending Minnesota Statutes 1982, section 156.12, subdivision 2.

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

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

S.F. No. 1883: A bill for an act relating to occupations and professions; prohibiting the boards of medical examiners and psychology from using evidence of the previous sexual conduct of a patient or client in board proceedings concerning unprofessional conduct; proposing new law coded in Minnesota Statutes, chapters 147 and 148.

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

Page 1, line 12, delete "*of the board*"

Page 1, line 14, after "*board*" insert "*or hearing examiner*"

Page 1, line 17, delete "*of the board*" and insert "*, except by motion of the complainant*"

Page 1, line 20, delete "*of the board*"

Page 1, line 22, after "*board*" insert "*or hearing examiner*"

Page 1, line 24, delete "*of the*" and insert "*, except by motion of the complainant.*"

Page 1, delete line 25

Amend the title as follows:

Page 1, delete line 3

Page 1, line 4, delete "using"

Page 1, line 5, delete "board"

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. 1924: A bill for an act relating to public health; exempting increases of less than five swing beds from certificate of need review; amending Minnesota Statutes 1982, section 145.833, subdivision 5.

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

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

S.F. No. 1748: A bill for an act relating to public welfare; establishing a children's trust fund for the prevention of child abuse and neglect; establishing an income tax checkoff to provide money for the fund; proposing new law coded in Minnesota Statutes, chapters 256 and 290.

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

Page 1, delete lines 10 to 26

Page 2, delete lines 1 to 4

Page 2, line 5, delete "board" and insert "commissioner of public welfare, in consultation with the commissioners of health and corrections,"

Page 2, line 8, delete "5" and insert "2"

Page 2, line 9, delete "board" and insert "commissioners"

Page 2, line 28, delete "according" and insert "as prescribed in subdivision 4"

Page 2, delete line 29

Page 2, line 30, delete "trustees"

Page 2, line 31, delete "the board of"

Page 2, line 32, delete "trustees and"

Page 2, line 33, delete "board" and insert "commissioner"

Page 3, line 1, delete everything after the period and insert "When"

Page 3, line 2, delete "that"

Page 3, line 2, delete "board" and insert "commissioner"

Page 3, delete lines 8 to 12

Page 3, line 13, delete "board" and insert "commissioner"

Renumber the subdivisions in sequence

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

Mr. Merriam from the Committee on Agriculture and Natural Resources,

to which was referred

S.F. No. 1450: A bill for an act relating to agriculture; providing for testing to measure milk protein; providing for payments for milk protein and nonfat solids; amending Minnesota Statutes 1982, section 32.25, 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 32.25, subdivision 1, is amended to read:

Subdivision 1. [MILK FAT AND NONFAT, PROTEIN, AND SOLIDS NOT FAT BASES OF PAYMENT; TESTS.] All milk and cream purchased from producers, and all milk, cream, skim milk, and buttermilk purchased by one dairy plant from another dairy plant for the purpose of resale as such, or for manufacture into dairy products, shall be purchased by weight and payment shall be made therefor upon the basis of milk fat therein contained in the case of milk and cream, and on the basis of nonfat milk solids contained therein in the case of skim milk and buttermilk; provided, that in purchasing whole milk the purchase price of such milk shall be based upon the declared purchase price of 100 pounds of whole milk (1) calculated at three and one-half pounds of milk fat per hundredweight, or (2) calculated at three and one-half pounds of milk fat per hundredweight and the nonfat solids contained therein. The latter basis shall be used only after the commissioner has promulgated, as provided in this subdivision, rules and regulations for the testing of nonfat solids. When the milk fat test of such whole milk varies from 3.5 percent, a uniform adjustment in the declared purchase price shall be made for each one-tenth of one percent of milk fat above or below 3.5 percent.

The percentage of milk fat in such milk and cream shall be determined as follows: (1) By the Babcock test and by employing a standard official method for operating this test, which method shall be that adopted, prescribed, and set forth, with specifications in detail, in the rules and regulations from time to time made and published by the commissioner in the manner provided by law; or (2) by alternative tests which not only determine the percentage of milk fat but also determine the amount of nonfat solids, when the commissioner is satisfied that these alternative tests are consistently as accurate as the Babcock test in determining the percentage of milk fat. The amount of nonfat milk solids in skim milk and buttermilk shall be determined by methods provided for herein. The tests shall be performed in the manner and with equipment prescribed by rules and regulations promulgated by the commissioner in the manner provided by law.

All milk and cream purchased from producers shall be purchased by weight and one or more of the following methods:

(1) payment of a standard rate with uniform differentials for milk testing above or below 3.5 percent milk fat;

(2) payment of a standard rate with uniform differentials for milk testing above or below 3.5 percent milk fat and above or below 3.1 percent protein; or

(3) payment of a standard rate with uniform differentials for milk testing

above or below 3.5 percent milk fat and above or below 8.5 percent solids not fat.

In addition, an adjustment to the milk price may be made on the basis of milk quality, and the component price may be subject to milk quality.

Testing procedures for determining the percentages of milk fat, protein, and milk solids not fat shall be adopted by rule.

Sec. 2. [EFFECTIVE DATE.]

Clauses (2) and (3) of section 1 are effective upon adoption of the Upper Midwest, Eastern South Dakota, Chicago Regional, and Iowa Federal Milk Orders 68, 76, 30, and 79, respectively, which would permit pricing by all purchasers from producers on a basis other than weight and milk fat content."

Amend the title as follows:

Page 1, line 2, delete "testing to" and insert "alternative methods for establishing the value of milk purchased from producers"

Page 1, delete line 3

Page 1, line 4, delete "protein and nonfat solids"

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. 1808: A bill for an act relating to Kandiyohi county; permitting the county to use city outlet payments to reduce assessments for benefits from county ditches 10 and 46.

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

Page 1, delete lines 8 to 12 and insert:

"The county board of Kandiyohi County may satisfy according to section 106.391 a percentage of the drainage liens filed against lands benefited by county ditches 10 and 46. After reserving an amount for repairs, the percentage to be satisfied of the total amount of liens initially filed on each ditch will be determined. Each lien shall be satisfied on a pro rata basis according to the assessments made for each ditch. If the amount to be satisfied exceeds the amount due on the lien, payment shall be made to the assessed land owner for the excess."

Amend the title as follows:

Page 1, delete lines 2 to 4 and insert "relating to Kandiyohi County; authorizing the county to satisfy certain liens according to certain procedures."

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. 1756: A bill for an act relating to St. Louis County; establishing a land investment office; appropriating money.

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

Pages 1 and 2, delete section 4

Page 2, line 20, delete "(a)" and insert "(1)"

Page 2, line 24, delete "(b)" and insert "(2)"

Page 2, line 26, delete "(c)" and insert "(3)"

Page 2, line 29, delete "(d)" and insert "(4)"

Page 2, line 30, delete "but not limited"

Page 2, line 31, delete "to"

Page 3, line 15, delete "which" and insert "that"

Page 3, line 16, delete "then Minnesota Statutes,"

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

S.F. No. 1662: A bill for an act relating to solid waste; reducing the number of proposed sites in metropolitan counties for mixed municipal solid waste disposal facilities; amending Minnesota Statutes 1983 Supplement, section 473.803, subdivision 1a.

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

Page 1, line 9, delete "1982" and insert "1983 Supplement"

Page 1, line 12, strike "each county" and insert "*a metropolitan county having a population of less than 300,000, as determined by the 1980 United States Census,*"

Page 1, line 12, strike "its" and insert "*the county*"

Page 1, line 13, before "three" insert "*at least*"

Page 1, line 16, after the period, insert "*A metropolitan county having a population greater than 300,000, as determined by the 1980 United States Census, shall adopt, by resolution of the county governing body, an inventory of at least four proposed sites in the county that are suitable for mixed municipal solid waste disposal facilities and shall submit the inventory to the council for approval or disapproval.*"

Page 3, line 23, before "APPLICATION" insert "EFFECTIVE DATE AND"

Page 3, line 24, after "effective" insert "*the day after final enactment and*

applies''

Amend the title as follows:

Page 1, line 3, after "counties" insert "having a population of less than 300,000,"

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. 1548: A bill for an act relating to game and fish; regulating enforcement of the laws relating to wild animals; providing for reciprocity with other governments; amending Minnesota Statutes 1982, section 97.501.

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 97.48, subdivision 3, is amended to read:

Subd. 3. The commissioner is authorized and shall have the power to make any and all regulations for the taking, possession and transportation of wild animals, fish and mussels from any boundary waters between Minnesota and adjacent states, and from international waters *except the commissioner may not authorize the taking, possession, and transportation of fish from these waters in excess of the daily limit of fish allowed under either a Canadian provincial license or a license of this state.* These regulations may include but need not be limited to the following: Restrictions on the limits of fish which may be taken, possessed, or transported from Minnesota-Canada boundary waters by a person possessing both a Minnesota angling license and an angling license from a Canadian province adjacent to Minnesota which has jurisdiction over the taking, possession, and transportation of fish.

Sec. 2. Minnesota Statutes 1982, section 97.501, is amended to read:

97.501 [RECIPROCITY WITH OTHER STATES IN APPOINTING OFFICERS.]

Subdivision 1. [RECIPROCAL EFFECT.] ~~The provisions of this section or any part thereof shall be in effect with respect to any other state or the United States whenever, so long as, and so far as, there are in force therein, respectively, reciprocal provisions of law of like effect with respect to this state as the provisions of this section or the corresponding part thereof. Any provision of this section shall be effective with respect to another state, the United States, the province of Manitoba, Canada, or the province of Ontario, Canada, to the extent that there is a similar provision in effect in those jurisdictions with respect to this state.~~

Subd. 2. [OTHER OFFICERS OF OTHER STATES OR THE UNITED STATES AS SPECIAL CONSERVATION OFFICERS.] Upon request or with the approval of the proper authority of another state ~~or of, the United States, the province of Manitoba, Canada, or the province of Ontario, Can-~~

ada respectively, to continue in effect as provided by the laws thereof, the commissioner may appoint any salaried and bonded officers of those jurisdictions authorized to enforce their wild animal laws as a special conservation officer in the unclassified service of this state in the unclassified service thereof any salaried and bonded officer of such other state or of the United States who is authorized to enforce any provision of the laws thereof relating to wild animals, to. The special conservation officer shall serve at the pleasure of the commissioner and is subject to his supervision and control. Except as otherwise expressly provided by law or directed by the commissioner, every such special conservation officer shall have the same powers and be subject to the same liabilities as regular conservation officers of this state, but shall may not receive no compensation from this state.

Subd. 3. [OFFICERS OF THIS STATE AS OFFICERS OF OTHER STATES OR THE UNITED STATES JURISDICTIONS.] *Upon request or with the approval of the commissioner and under such conditions as he may prescribe, to continue in effect at his pleasure, any A conservation officer or other officer of this state who is authorized to enforce the wild animal laws relating to wild animals may accept appointment and serve in a like capacity under another state or under, the United States as may be provided by the laws thereof, respectively, so far as is not incompatible, the province of Manitoba, Canada, or the province of Ontario, Canada, with the approval of the commissioner and under the conditions prescribed by the commissioner. The officer may serve under the laws of the other jurisdictions to the extent the laws are compatible with his duties as an officer of this state.*

Sec. 3. Minnesota Statutes 1983 Supplement, section 97.86, subdivision 1, is amended to read:

Subdivision 1. [LICENSE SURCHARGE.] A surcharge of \$2.50 shall be added to the annual license fee for each license issued pursuant to section 98.46, subdivision 2, clauses (4) and (5), subdivision 2a, subdivision 5, clauses (1), ~~(2)~~, and (3), and subdivision 15. The proceeds of the surcharge shall be credited to the game and fish fund.

The commissioner may spend the proceeds of the surcharge for the following purposes:

(a) Rehabilitation and improvement of marginal fish producing waters administered on a cost sharing basis under agreements between the commissioner and other parties interested in sport fishing.

(b) Expansion of fishing programs including, but not limited to, aeration, stocking of marginal fishing waters in urban areas, shore fishing areas, and fishing piers. In the expenditure of funds pursuant to this clause, preference shall be given to local units of government and other parties willing and able to share costs.

(c) Upgrading of fish propagation capabilities in order to improve the efficiency of fish production, expansion of walleyed pike production from waters subject to winter kill for stocking in more suitable waters, introduction of new species where deemed biologically appropriate by the commissioner, and purchase of fish from private hatcheries for stocking purposes.

(d) Financing the preservation and improvement of fish habitat. First priority shall be given to expansion of habitat improvement programs approved

by the commissioner and implemented in cooperation with other interested parties.

(e) Increasing enforcement through use of covert operations, workteams, and added surveillance, communication, and navigational equipment.

(f) Purchase by the commissioner of the walleyed pike quota of commercial fishermen as prescribed in section 102.26, subdivision 3d.

(g) Not more than ten percent of the money available under this subdivision may be used for administrative or permanent personnel costs.

Sec. 4. Minnesota Statutes 1983 Supplement, section 102.26, subdivision 3d, is amended to read:

Subd. 3d. In 1984 and any subsequent year an existing licensee may transfer the walleye quota allocated to him under subdivision 3a or 3b to any other existing licensee or, after July 1, 1985, he may sell the quota to the state. If a licensee sells the quota to the state, he must sell the quota for all years remaining in the quota schedule as provided in subdivision 3a or 3b. A sale to the state shall be at the present wholesale value of the quota as determined by ~~applying the standard formula for computing present value~~ assuming the following: (a) an allocation to the licensee of the same proportion of the total remaining walleye quota as allocated in the year of sale; (b) ~~an interest rate of eight percent;~~ and (c) a walleye wholesale price in the round of \$1.15 per pound. A licensee may elect to receive payment for a sale to the state in a lump sum or in up to four annual installments. Any quota sold to the state shall cancel and is not available for reallocation to any other licensee. When a walleye quota is sold to the state and canceled, the gill net license of the licensee shall be canceled.

Sec. 5. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "prohibiting taking, possession and transportation of fish in international waters in excess of certain daily limits;"

Page 1, line 4, after the semicolon, insert "removing the license surcharge on fish and dark houses; eliminating the discount on walleye buyouts;"

Page 1, delete line 5 and insert "Statutes 1982, sections 97.48, subdivision 3; 97.501; Minnesota Statutes 1983 Supplement, sections 97.86, subdivision 1; and 102.26, subdivision 3d."

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. 2039: A bill for an act relating to state monuments; adding the Roy Wilkins State Monument to the list of state monuments; appropriating money; amending Minnesota Statutes 1982, section 138.585, by adding a subdivision.

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. 1498: A bill for an act relating to occupations and professions; changing the name of the private detective and protective agent services board; clarifying its powers and duties; authorizing licensing of alarm system businesses; specifying qualifications; amending Minnesota Statutes 1982, sections 214.01, subdivision 3; 326.32, subdivisions 2, 8, 9, and 10, and by adding subdivisions; 326.33, subdivision 1, and by adding subdivisions; 326.331; 326.332, subdivision 1; 326.333; 326.334, subdivisions 1 and 2, and by adding a subdivision; 326.336, subdivision 1, and by adding subdivisions; 326.337, subdivisions 1, 2, and 3; and Minnesota Statutes 1983 Supplement, section 214.04, subdivision 1; proposing new law coded in Minnesota Statutes, chapter 326; and repealing Minnesota Statutes 1982, sections 299C.01, subdivision 3; 326.32, subdivisions 3, 4, 5, 6, 7, and 11; and 326.33, subdivisions 2, 3, 4, and 5.

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

Delete everything after the enacting clause and insert:

“Section 1. [INSTALLATION OF POWER LIMITED CIRCUITS.]

A person who installs Class II or Class III signaling circuits, power-limited fire protective signaling circuits, or outside wiring for alarm systems, as covered by articles 725, 760, and 800 of the National Electrical Code as approved by the United States of America Standards Institute in effect on January 1, 1984, shall not be required to obtain a license under section 326.242. Nothing in this act shall exempt installations from inspections as defined in section 326.244.

Sec. 2. [REPEALER.]

Section 1 is repealed effective July 1, 1985.

Sec. 3. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment.”

Delete the title and insert:

“A bill for an act relating to occupations and professions; clarifying jurisdiction over installment of power limited circuits.”

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. 2079: A bill for an act relating to veterans; requiring veterans organizations to file reports to the commissioner of veterans affairs; proposing new law coded in Minnesota Statutes, chapter 197.

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

as follows:

Delete everything after the enacting clause and insert:

“Section 1. [349.41] [ANNUAL REPORTS.]

On or before June 30 annually, every organization that conducts bingo, raffles, pull-tabs, tipboards, or paddlewheels under this chapter shall file a report with the department of revenue specifying the gross receipts and profit earned from conducting each of the above activities and the manner in which any profits are used for charitable purposes in the community. If a charitable organization contracts with a fund raising organization, that contract must follow the department of revenue rules which will provide the necessary data. The department of revenue shall develop those rules under chapter 14.”

Delete the title and insert:

“A bill for an act relating to gambling; requiring organizations conducting gambling under chapter 349 to file annual reports; proposing new law coded in Minnesota Statutes, chapter 349.”

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. 1313: A bill for an act relating to intoxicating liquor; authorizing on-sale wine licenses outside the boundaries of liquor patrol limits; amending Minnesota Statutes 1982, section 340.11, subdivision 20.

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

Page 2, lines 3 to 5, delete the new language and insert “*and may be issued within the territory north of Marshall Avenue where the sale of intoxicating liquor was prohibited under Special Laws 1885, chapter 281, section 6*”

Page 2, line 15, delete “1983” and insert “1984”

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

Mr. Vega from the Committee on Energy and Housing, to which was referred

S.F. No. 1681: A bill for an act relating to energy; defining residence; establishing energy efficiency standards for public housing; amending Minnesota Statutes 1983 Supplement, section 116J.27, subdivision 2.

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

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1982, section 116J.27, subdivision 1, is amended to read:

Subdivision 1. The commissioner shall adopt rules containing minimum

energy efficiency standards for existing residences. The standards shall be appropriate for evaluation of the energy efficiency of each major type of residential housing including, but not limited to, one to four family dwellings, apartment buildings, manufactured homes, condominium buildings, and type of ownership. The standards shall be economically feasible in that the resultant savings in energy procurement costs, based on current and projected average residential energy costs in Minnesota as certified by the commissioner in the state register, will exceed the cost of the energy conserving requirements amortized over the ten-year period subsequent to the incurring of the cost. The costs computed under this section shall include reasonable inflation and interest factors. *Subject to the provisions of subdivision 4, with respect to low-rent housing which is owned by a public housing authority or a housing and redevelopment authority as described in chapter 462, compliance with the standards established by the commissioner shall be determined based upon audits conducted by or on behalf of the housing and redevelopment authority or the public housing authority in conformance with the requirements of Code of Federal Regulations, title 24, sections 965.301 to 965.310. Audits which are conducted by individuals other than employees of the housing and redevelopment authority or the public housing authority shall be conducted by evaluators who are certified pursuant to subdivision 6 or section 116J.31. The determination of the economic feasibility of implementation of the standards in low-rent housing shall be made in accordance with the procedures established by the United States Department of Housing and Urban Development to implement Code of Federal Regulations, title 24, sections 965.301 to 965.310.*

Sec. 2. Minnesota Statutes 1982, section 116J.27, subdivision 4, is amended to read:

Subd. 4. [INSPECTIONS.] The commissioner shall conduct inspections on a random basis for compliance with the provisions of subdivision 3. The commissioner of ~~energy, planning and development~~ may authorize a municipality, with its consent, to conduct the inspections within the municipality's jurisdiction. Any municipality which conducts an inspections program in conjunction with existing city inspection programs shall have authority under all subdivisions of section 116J.30 to enforce the provisions of subdivision 3; provided that 50 percent of the penalties to be paid to the state treasury for violation of subdivision 3 shall be paid to the municipality. *With respect to low-rent housing owned by a public housing authority or a housing and redevelopment authority described in chapter 462, the commissioner or the municipality which conducts the inspection shall submit the results of the inspection to the housing and redevelopment authority or the public housing authority for review. If the housing and redevelopment authority or the public housing authority does not concur in the findings of the commissioner or the municipality, then the housing and redevelopment authority or the public housing authority and the commissioner or the municipality shall select a mutually acceptable independent third party or panel of experts knowledgeable in the area of energy conservation. The results of the inspection, the conclusions of the commissioner or the municipality as to compliance with the standards established pursuant to subdivision 1, and the basis for such conclusions, and the position of the housing and redevelopment authority or the public housing authority and the basis for such position shall be submitted to the independent third party or panel for a determination of the specific energy conservation measures which must be completed for compliance with the standards established pursuant to subdivision 1. The costs of the independent third party or panel shall be paid equally by the housing and rede-*

velopment authority or the public housing authority and the commissioner or the municipality.

Sec. 3. Minnesota Statutes 1982, section 116J.30, is amended by adding a subdivision to read:

Subd. 4. With respect to low-rent housing, the provisions of subdivisions 1 and 3 shall not apply to a violation by a housing and redevelopment authority described in chapter 462 or a public housing authority, or an employee of either, of section 116J.27 or any rule or regulation promulgated thereunder.

Sec. 4. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

Amend the title as follows:

Page 1, line 4, delete "1983 Supplement" and insert "1982"

Page 1, line 4, delete "section" and insert "sections"

Page 1, line 5, delete "subdivision 2" and insert "subdivisions 1 and 4; and 116J.30, by adding a subdivision"

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

H.F. No. 523: A bill for an act relating to public utilities; defining scope of independent telephone companies accountable under chapter 237; amending Minnesota Statutes 1982, section 237.01, subdivision 3.

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. 1554: A bill for an act relating to metropolitan government; prescribing the authority of watershed management organizations; providing procedures for boundary changes and termination of watershed districts; amending Minnesota Statutes 1982, sections 473.877 and 473.878, subdivision 4; proposing new law coded in Minnesota Statutes, chapter 473.

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 473.876, subdivision 9, is amended to read:

Subd. 9. [WATERSHED MANAGEMENT ORGANIZATION.]
"Watershed management organization" or "organization" means a watershed district wholly within the metropolitan area or a joint powers entity established wholly or partly within the metropolitan area by special law or by agreement ~~which~~ that performs some or all of the functions of a watershed

district for a watershed and ~~which~~ *that* has the characteristics and the authority specified under section 473.877. Lake improvement or conservation districts are not watershed management organizations.

Sec. 2. Minnesota Statutes 1982, section 473.877, is amended to read:

473.877 [JOINT POWERS WATERSHED MANAGEMENT ORGANIZATION.]

Subdivision 1. [AUTHORITY.] Any agreement under section 471.59 to jointly or cooperatively manage or plan for the management of surface water *in a watershed delineated pursuant to subdivision 2*, as required by sections 473.875 to 473.883, may provide, *in addition to other provisions authorized by section 471.59*, for a joint board having:

(a) the authority to prepare ~~and~~, adopt, and implement a plan for the watershed meeting the requirements of section 473.878;

(b) the authority to review and approve local water management plans as provided in section 473.879;

(c) the authority of a watershed district under chapter 112 to regulate the use and development of land *in the watershed* when one or more of the following conditions exists: (1) the local government unit exercising planning and zoning authority over the land under sections 366.10 to 366.19, 394.21 to 394.37, or 462.351 to 462.364, does not have a local water management plan approved and adopted in accordance with the requirements of section 473.879 or has not adopted the implementation program described in the plan; (2) an application to the local government unit for a permit for the use and development of land requires an amendment to or variance from the adopted local water management plan or implementation program of the local unit; (3) the local government unit has authorized the organization to require permits for the use and development of land-;

(d) *the authority of a watershed district under section 112.65 to accept the transfer of drainage systems in the watershed, to repair and maintain the transferred drainage systems, and to construct all new drainage systems and improvements of existing drainage systems in the watershed, pursuant to chapters 106, 112, and 473, but proceedings of the board with respect to the systems must be in conformance with the watershed plan adopted under section 473.878;*

(e) other powers necessary to exercise the authority under clauses (a) to (c), including the power to enter into contracts for the performance of functions with governmental units or persons.

Subd. 2. [REVIEW OF WATERSHED BOUNDARIES.] Before commencing planning under section 473.878, a watershed management organization established pursuant to section 471.59 and this section shall submit a map delineating the boundaries of the watershed to the water resources board for review and comment on the conformance of the boundaries with the requirements of sections 473.875 to 473.883. The board shall have 60 days to comment.

Subd. 3. [JURISDICTION OVER NONMEMBERS.] *A watershed management organization established by agreement pursuant to subdivision 1 may exercise the authority provided in the agreement throughout the water-*

shed delineated, including territory in statutory and home rule charter cities and towns that are not members of the organization, if the cities and towns that are not members consent to the exercise of authority within their jurisdictions and if the membership of the organization includes:

(a) the county or counties having jurisdiction over all of the territory of the watershed that is within the cities and towns that are not members of the organization; and

(b) either cities and towns having jurisdiction over at least 50 percent of the land area of the watershed and comprising at least three-quarters of all of the cities and towns having territory in the watershed, or cities and towns having jurisdiction over at least 75 percent of the land area of the watershed.

The county or counties identified in clause (a) are responsible for watershed management activities and may exercise authority under sections 473.875 to 473.883 in and for consenting cities and towns that are not members of the organization.

Sec. 3. [473.8771] [WATERSHED DISTRICTS; BOUNDARY CHANGE; TERMINATION.]

Subdivision 1. [BOUNDARY CHANGE.] The boundaries of a watershed district wholly within the metropolitan area may be changed pursuant to this subdivision or chapter 112. The governing board of a watershed management organization may petition the water resources board for an order changing the boundaries of a watershed district wholly within the metropolitan area, either by adding new territory to the district or by transferring territory that is within the district to the jurisdiction of another watershed management organization. The petition must:

(a) describe with particularity the change in boundary requested, the territory affected, and the reasons for the change;

(b) show that the change is consistent with the purposes and requirements of sections 473.875 to 473.883; and

(c) identify any property subject to subdivision 3.

The petition must be accompanied by a written statement of concurrence in the petition from the governing body of each statutory or home rule charter city and town and each watershed management organization having jurisdiction over the territory proposed to be added or transferred. Upon the filing of a sufficient petition, the water resources board shall give notice of the filing of the petition by publication once each week for two successive weeks in a legal newspaper in each county affected and by mail to the county auditor of each county affected and to the chief official of each statutory or home rule charter city and township affected. The notice must describe the action proposed by the petition and invite written comments on the petition for consideration by the board. The notice must announce that any person who objects to the action proposed in the petition may submit a written request for hearing to the board within 20 days of the last publication of the notice of the filing of the petition and that if no timely request for hearing is received the board will make a decision on the petition pursuant to this subdivision without conducting the public hearing required under chapter 112. If no timely request for hearing is received the board shall make a decision on the petition without a

hearing within 30 days after the last publication of the notice. If one or more timely requests for hearing are received the board shall hold a hearing on the petition and shall follow the procedures in chapter 112 regarding notice and conduct of hearings. After completing the procedures required by this subdivision, the board shall, by its findings and order, make the boundary change requested if the board determines that:

(a) the governing body of each statutory or home rule charter city and town and each watershed management organization having jurisdiction over the territory proposed to be added or transferred concurs in the petition,

(b) the change is consistent with the purposes and requirements of sections 473.875 to 473.883, and

(c) the change can be accomplished in conformance with subdivision 3.

The board shall file a certified copy of the findings and order with the secretary of state. The order making the change must conform to subdivision 3. The order making the change may amend the order prescribing the distribution of managers of the district.

Subd. 2. [TERMINATION.] A watershed district wholly within the metropolitan area may be terminated pursuant to this subdivision or chapter 112. Proceedings for termination under this subdivision must be initiated by a petition to the water resources board filed jointly by the governing bodies of all statutory and home rule charter cities and towns having jurisdiction over territory within the watershed. Upon the filing of a sufficient petition, the board shall hold a hearing in accordance with the procedures prescribed in chapter 112, to take testimony on the determinations required to be made by the board. Following the hearing, the board shall, by its findings and order, terminate the district as requested if the board determines:

(a) that the local units of government having jurisdiction over territory within the watershed have formed a joint powers organization for the watershed pursuant to section 473.877,

(b) that upon termination of the district the members of the joint powers organization, jointly or severally, are willing and able to assume ownership of the district's assets and the responsibility for managing and maintaining the district's projects as necessary to accomplish the purposes of sections 473.875 to 473.883 and to implement the watershed plan of the joint powers organization to be developed pursuant to section 473.878, and

(c) that the termination can be accomplished in conformance with subdivision 3.

The board shall file a certified copy of the findings and order with the secretary of state. The order terminating the district must transfer the assets of the district to the joint powers organization or its members. The order must conform to subdivision 3.

Subd. 3. [LIMITATION.] The addition or transfer of property or termination of a district pursuant to this section must not affect the benefits or damages for any improvement previously constructed by the district having jurisdiction over the property before the board's order. The property affected is and remains liable for its proper share of any outstanding indebtedness of the watershed district applying to the property before the board's order, and

levies and assessments for the indebtedness continue in force until the debt is fully paid. In order to satisfy the requirements of this subdivision, the board may prescribe conditions on the boundary change or termination or may prescribe a later effective date for the termination of specified powers of a watershed district.

Sec. 4. Minnesota Statutes 1982, section 473.878, is amended by adding a subdivision to read:

Subd. 1a. [OPTIONAL PARTICIPATION.] Local government units, within or outside of the metropolitan area, having territory that is not subject to the requirements of this section but that is within a watershed part of which is subject to the requirements of this section, may enter into an agreement under section 473.877. A local government unit that enters into an agreement under this subdivision has the duties imposed and the authority granted in sections 473.875 to 473.883.

Sec. 5. Minnesota Statutes 1982, section 473.878, subdivision 2, is amended to read:

Subd. 2. [RESPONSIBLE UNITS.] Where a watershed management organization exists, the plan for the watershed shall be prepared and adopted by the organization. If a watershed management organization is not established by ~~December 31, 1983~~ July 1, 1985, for any minor watershed unit located wholly outside of Hennepin and Ramsey counties, the county or counties containing the watershed unit shall prepare ~~and~~ adopt and implement the watershed plan and ~~shall have for this purpose the county or counties have the~~ planning, review, ~~and~~ permitting, and financing authority of a watershed management organization specified in ~~section~~ sections 473.877 to 473.883. If a watershed management organization is not established by ~~December 31, 1983~~ July 1, 1985, for any minor watershed unit within the metropolitan area and wholly or partly within Hennepin or Ramsey counties, the county or counties containing the watershed unit shall petition for the establishment of a watershed district under chapter 112, provided, however, that a district established pursuant to such a petition shall not cross a primary river nor a river forming the boundary between a metropolitan county and a county outside the metropolitan area, shall have boundaries which are based upon negotiations among all local government units which may have territory within the district and adjacent watersheds and shall not cross county boundaries to include territory whose distinguishing characteristic is multiple drainage points into a primary river. A watershed management organization may request a county to prepare all or part of a plan. A county may delegate the preparation of all or part of a plan to the county soil and water conservation district. Upon request of a statutory or home rule charter city or town, a county may delegate the preparation of all or part of a plan to the city or town.

Sec. 6. Minnesota Statutes 1982, section 473.878, subdivision 3, is amended to read:

Subd. 3. [GENERAL STANDARDS.] The watershed management plan shall extend through the year 1990 or any year thereafter which is evenly divisible by five. The plan shall contain the elements required by subdivision 4. Each element shall be set out in the degree of detail and prescription necessary to accomplish the purposes of sections 473.875 to 473.883, considering the character of existing and anticipated physical and hydrogeologic

conditions, land use, and development and the severity of existing and anticipated water management problems in the watershed. The plan shall be prepared and submitted for review under subdivision 5 ~~by December 31, 1985~~ *not later than December 31, 1986*. Existing plans of a watershed management organization shall remain in force and effect until amended or superseded by plans adopted under sections 473.875 to 473.883. Existing or amended plans of a watershed management organization which meet the requirements of sections 473.875 to 473.883 may be submitted for review under subdivision 5.

Sec. 7. Minnesota Statutes 1982, section 473.878, subdivision 4, is amended to read:

Subd. 4. [CONTENTS.] The plan shall:

(a) Describe the existing physical environment, land use, and development in the area and the environment, land use, and development proposed in existing local and metropolitan comprehensive plans;

(b) Present information on the hydrologic system and its components, *including any drainage systems previously constructed under chapter 106*, and existing and potential problems related thereto;

(c) State objectives and policies, including management principles, alternatives and modifications, water quality, and protection of natural characteristics;

(d) Set forth a management plan, including the hydrologic and water quality conditions that will be sought and significant opportunities for improvement;

(e) *Describe the effect of the plan on existing drainage systems;*

(f) Describe conflicts between the watershed plan and existing plans of local government units;

~~(g)~~ (g) Set forth an implementation program consistent with the management plan, which includes a capital improvement program and standards and schedules for amending the comprehensive plans and official controls of local government units in the watershed to bring about conformance with the watershed plan; and

~~(g)~~ (h) Set out a procedure for amending the plan.

Sec. 8. Minnesota Statutes 1982, section 473.882, subdivision 1, is amended to read:

Subdivision 1. [WATERSHED MANAGEMENT TAX DISTRICT.] Any local government unit planning for water management under sections 473.878 and 473.879 may establish a watershed management tax district in the territory within the watershed, for the purpose of paying the costs of the planning required under sections 473.878 and 473.879. Any local government unit which has part of its territory within a watershed for which a plan has been adopted in accordance with section 473.878 and which has a local water management plan adopted in accordance with section 473.879 may establish a watershed management tax district in the territory within the watershed, for the purpose of paying capital costs of the water management facilities described in the capital improvement program of the plans and for

the purpose of paying for normal and routine maintenance of the facilities. A county or counties required by section 473.878, subdivision 2, to prepare, adopt, and implement a watershed plan may apportion the costs of planning, capital improvements, and maintenance among the minor watershed units in the watershed, or among the statutory and home rule charter cities having territory in the watershed, and for this purpose may establish more than one watershed management tax district in the watershed.

Sec. 9. [APPLICATION.]

This act applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 10. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to metropolitan government; prescribing the authority of watershed management organizations; providing procedures for boundary changes and termination of watershed districts; amending Minnesota Statutes 1982, sections 473.876, subdivision 9; 473.877; 473.878, subdivisions 2, 3, 4, and by adding a subdivision; 473.882, subdivision 1; proposing new law coded in Minnesota Statutes, chapter 473."

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. 1482: A bill for an act relating to health; requiring the commission of health to publish information about hazardous substances; proposing new law coded in Minnesota Statutes, chapter 144.

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

Delete everything after the enacting clause and insert:

"Section 1. [144.054] [ENVIRONMENTAL HEALTH INFORMATION.]

Subdivision 1. [LEGISLATIVE PURPOSE.] A large number of individuals are exposed to hazardous substances in the community or at the workplace. This exposure is frequently at low levels and individuals, communities, employers, and employees are not aware of the health and safety effects of exposure. It is the responsibility of the state to provide information and education to individuals, communities, employers, and employees concerning the risks of exposure in relation to other health and safety risks.

Subd. 2. [DEFINITION.] "Hazardous substance" means harmful physical agents and infectious agents that are regulated under the Employee Right to Know Act of 1983, including chemicals commonly used, inhaled, or consumed away from the workplace.

Subd. 3. [ENVIRONMENTAL HEALTH EDUCATION PROGRAM.]

The commissioner of health shall establish and maintain an environmental education and information program. As part of the program the commissioner shall:

(1) provide information regarding epidemiologic, genetic, and other scientific studies proposed, underway, or completed that pertain to adverse health effects that may be associated with exposure to hazardous substances;

(2) monitor and report on the activities and policies of the United States government relating to the exposure of communities, workers, or individuals to hazardous substances;

(3) respond, within the scope of the powers and duties established under chapters 144 and 145, to other issues of concern to communities, employees, workers, and individuals relating to exposure to hazardous substances;

(4) provide medical information to health professionals and others in the state regarding the detection, diagnosis, and treatment of acute and chronic symptoms that may be associated with exposure to hazardous substances; and

(5) compile and publish by January 1, 1985, a list of the leading causes of death in Minnesota. To the extent possible, the list shall include references to hazardous substances to which individuals may have been exposed.

Subd. 4. [SPECIAL STUDIES.] The commissioner may conduct studies regarding the prevalence of adverse health conditions in individuals exposed to certain hazardous substances and previous exposure of selected individuals who are terminally ill or deceased.

Subd. 5. [ANNUAL REPORT.] The commissioner shall prepare an annual report to the standing committees of the legislature having jurisdiction over public health and hazardous substances. The report shall include:

(1) a review and summary analysis of the scientific literature concerning new research on the effects of exposure to hazardous substances;

(2) a list of hazardous substances indicating their general importance in terms of toxicity and the magnitude of this toxicity when compared to commonly known products, exposure of the public or special groups, and impact upon the health of the state;

(3) a summary of the activities undertaken by the commissioner to inform and assist communities, individuals, employees, and employers who may have been exposed to hazardous substances;

(4) a description and interpretation of the results of studies undertaken pursuant to this section; and

(5) comments or recommendations the commissioner may consider appropriate.

Sec. 2. [APPROPRIATION.]

There is appropriated to the commissioner of health \$112,500 for purposes of section 1.

Sec. 3. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

Amend the title as follows:

Page 1, line 3, delete "publish" and insert "conduct studies and disseminate"

Page 1, line 4, after "substances;" insert "appropriating money;"

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. 1884: A bill for an act relating to occupations and professions; establishing a task force on sexual exploitation by psychotherapists.

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

Page 1, line 10, delete "on" and insert "*to study the problem of*"

Page 1, line 11, delete "*psychotherapists*" and insert "*counselors and therapists*"

Page 1, line 15, delete "*psychotherapy*" and insert "*counseling or therapy*"

Page 1, line 16, after the second comma, insert "*mental health advocacy organizations, men's organizations,*"

Page 1, line 22, delete "*psychotherapists*" and insert "*counselors and therapists*"

Page 1, line 23, after "*educate*" insert "*counselors and*" and before "*employers*" insert "*their*"

Page 1, line 23, delete "*of therapists*"

Page 2, line 2, after "*nonabusive*" insert "*counselors and*"

Page 2, line 3, before "*therapist*" insert "*counselor or*"

Page 2, line 6, delete "*psychotherapy*" and insert "*counseling and therapy*"

Page 2, line 14, delete "*psychotherapist*" and insert "*counselor or therapist*"

Page 2, line 16, delete "*psychotherapists*" and insert "*counselors or therapists*"

Page 2, line 21, delete "*psychotherapy*" and insert "*therapy*"

Page 2, line 23, delete "*psychotherapists*" and insert "*counselors and therapists*"

Amend the title as follows:

Page 1, line 3, delete "on" and insert "to study the problem of"

Page 1, line 4, delete "psychotherapists" and insert "counselors and therapists"

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. 909: A bill for an act relating to the environment; protecting communities from toxic substances and harmful physical agents; requiring information to be given to local fire departments; providing a penalty; proposing new law coded in Minnesota Statutes, chapter 116.

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

Delete everything after the enacting clause and insert:

“Section 1. [144.390] [SHORT TITLE.]

Sections 1 to 12 shall be known as the “Hazardous Substance Disclosure Act.”

Sec. 2. [144.391] [LEGISLATIVE PURPOSE.]

The legislature finds that public health and safety is endangered by a lack of knowledge about hazardous substances located within the state, that the public has the right to know which hazardous substances it is exposed to in the community, and that firefighters have the right to know which substances they are exposed to so that they may be able to take adequate measures to protect themselves and the public against chronic and acute health and safety problems and protect both human life and property.

Sec. 3. [144.392] [DEFINITIONS.]

Subdivision 1. [SCOPE.] For the purpose of sections 1 to 12 the following terms have the meanings given them.

Subd. 2. [BUSINESS.] “Business” means an employer, self-employed individual, trust, firm, joint stock company, corporation, partnership, cooperative association, city, county, district, and the state, or any department or agency thereof. For the purposes of this act, a business shall include both for profit and nonprofit businesses.

Subd. 3. [CHEMICAL NAME.] “Chemical name” means the scientific designation of a substance in accordance with the International Union of Pure and Applied Chemistry or the Chemical Abstracts Service rules of nomenclature.

Subd. 4. [COMMISSIONER.] “Commissioner” shall mean the commissioner of the state department of health.

Subd. 5. [COMMON NAME.] “Common name” means a designation or identification, such as a trade name or number, code name, brand name, or generic name, used by the employer to identify a substance other than by its chemical name.

Subd. 6. [COMMUNITY RESIDENT.] “Community resident” means a resident of a home rule charter or statutory city, town, or, in the case of unorganized territory, a county in which a business uses, manufactures, or

stores a hazardous substance.

Subd. 7. [FACILITY.] "Facility" means the building, equipment, and contiguous area at a single location used for the conduct of business.

Subd. 8. [HANDLE.] "Handle" or "handling" means to generate, treat, store, or dispose of a hazardous substance in any fashion.

Subd. 9. [HAZARDOUS SUBSTANCE.] "Hazardous substance" means a substance or agent manufactured, handled, used, or stored by a business within the state that:

(1) is a hazardous substance as defined in section 182.651;

(2) is a hazardous material as defined by the commissioner pursuant to section 9, subdivision 7; or

(3) becomes hazardous upon burning or that, when exposed to water, forms a solution or suspension that is hazardous.

Subd. 10. [INVENTORY OF HAZARDOUS SUBSTANCES.] "Inventory of hazardous substances" means a listing, by chemical name, trade name, and common name, of any hazardous substance which a business manufactures, uses, or stores in a site within the state of Minnesota. The inventory shall also contain the method of storage and the amount of the hazardous substance present at each business site. The amount shall be reported in terms of a range of minimum and maximum quantities that may occur at the site at any one time.

Subd. 11. [LOCAL FIRE DEPARTMENT; DEPARTMENT.] "Local fire department" or "department" means the fire department of a city, special fire district or town in which a fire department is established, or the police department of a city or town in which no fire department exists, or the county sheriff's department in cities or towns where no fire or police department exists, or the local fire department with which the city or town contracts for fire protection.

Subd. 12. [MANUFACTURER.] "Manufacturer" means anyone who produces, synthesizes, extracts, or otherwise makes, processes, blends, packages, or repackages a hazardous substance.

Subd. 13. [MATERIAL SAFETY DATA SHEET.] "Material safety data sheet" means the listing of information required in section 5.

Subd. 14. [SIGNIFICANT CHANGE.] "Significant change" means any change that may necessitate a modification of emergency response procedures that might involve a hazardous substance. This includes changes that potentially impact firefighters, emergency response personnel, and community public safety.

Subd. 15. [SITE.] "Site" means any workplace, area, location, or facility within the state at which hazardous substances are manufactured, handled, used, or stored.

Subd. 16. [STORED.] "Stored" means a hazardous substance deposited or placed in a business site for a period of five days or more.

Subd. 17. [UNIFORM FIRE CODE.] "Uniform fire code" means the code as authorized under section 299F.011.

Subd. 18. [USE.] "Use" means the handling, processing, or storage of a hazardous substance.

Subd. 19. [USER.] "User" means any business which uses, manufactures, stores, or handles a hazardous substance.

Sec. 4. [114.393] [SCOPE.]

Subdivision 1. [EXCEPTIONS.] Nothing in this act applies to:

(a) except as required in the uniform fire code, consumer products and food stuffs packaged for distribution to, and intended for use by, the general public, including ingredients used in the production of food stuffs that are regulated by the Food, Drug, and Cosmetic Act, as amended;

(b) labeled products labeled under the Food, Drug, and Cosmetic Act, as amended, or the Atomic Energy Act of 1954, as amended, as long as the products remain labeled in the workplace;

(c) hazardous substances transported through the state;

(d) any hazardous waste materials for which hazardous waste generators are required to file disclosures under Minnesota hazardous waste laws provided the disclosures have been filed; or

(e) any products used by farm operations of ten employees or fewer.

Subd. 2. [HAZARDOUS SUBSTANCE REPORTING.] Any hazardous substance for which training and information is required by section 182.653, is subject to the reporting requirements of section 5 of this act.

Subd. 3. [MINIMUM REPORTABLE QUANTITIES.] (a) Any hazardous substance for which the uniform fire code requires a specific quantity to be permitted shall be subject to the reporting requirements of section 5 of this act in amounts greater than or equal to the specific quantity established in the permit. Adoption of these quantities shall only be for the purpose of determining minimum reportable quantities under this act and shall in no way affect the permitting procedures of local departments.

(b) Radioactive materials, carcinogens, mutagens, and teratogens shall be reportable in any quantity.

(c) All other hazardous substances shall be reportable as referred to in the uniform fire code.

(d) The local fire chief shall have the authority to lower the minimum reportable quantity for any hazardous substance as deemed necessary by the chief provided that some mechanism for appealing the chief's decision either exists or is established by the local unit of government where the chief's action takes effect.

Sec. 5. [144.394] [REPORTING REQUIREMENTS.]

Subdivision 1. [HAZARDOUS SUBSTANCE MIXTURE.] Every manufacturer of a hazardous substance shall provide each business in Minnesota who purchases the substance with the information necessary to complete a material safety data sheet as provided in this section. For a mixture of hazardous substances, the manufacturer may provide the information required by this section on the entire product mixture, instead of on each hazardous

substance in it, if all of the following conditions are met: hazard test information exists on the mixture itself or adequate information exists to form a judgment of the hazardous proportions of the mixture itself and the manufacturer indicates that the conclusions drawn are from some source other than direct testing on the mixture; information on the mixture is as effective in providing health and safety information as the information on the ingredients; and the hazardous substances in the mixture are identified together, with the information on the mixture.

Subd. 2. [MATERIAL SAFETY DATA SHEET.] *A business that manufactures, uses, or stores a hazardous substance in a site within the state of Minnesota must by January 15, 1985, provide to the local fire department a material safety data sheet for every hazardous substance that appears in its business sites within the state. The material safety data sheet shall include the information required by section 182.653, subdivision 4b, or the following information if known:*

(a) the name, address, and the current telephone number of the manufacturer;

(b) the name or names of the substance including any generic or chemical name, trade name, and commonly used name;

(c) the known acute and chronic effects of exposure at hazardous levels;

(d) the known symptoms of the effect;

(e) any potential for flammability, explosion, or reactivity of the substance;

(f) appropriate emergency treatment;

(g) proper conditions for safe use and exposure to the hazardous substance, including the need for personal protective equipment; and

(h) procedures for cleanup of leaks and spills of the hazardous substance, including emergency procedures for fire and explosion.

Subd. 3. [ADDITIONAL INFORMATION.] *After receiving the information required in subdivision 2 or 5, the local fire department may request and the business shall provide additional information about the hazardous substance that may help the department to protect firefighters, emergency response personnel, or the community at large in case of a fire or other emergency that might involve the substance.*

Subd. 4. [INVENTORY LISTING REPORTS.] *A business that manufactures, uses, or stores a hazardous substance in a site within the state of Minnesota shall be required to prepare and complete the inventory of hazardous substances by December 31, 1984. For one year thereafter, upon the written request of an individual or upon the health department's own initiative, the commissioner may request any business that manufactures, uses, or stores a hazardous substance in a site within Minnesota to provide a copy of its inventory of hazardous substances. Within ten days of receipt of the request by the commissioner, the business shall provide a copy of the inventory to the commissioner. Businesses with multiple facilities within the state shall provide separate inventories for each of their facilities within the state. The commissioner shall forward the inventory to the requesting party within ten days of receipt. By January 15, 1986, every business that manufactures,*

stores, or uses a hazardous substance in a site within the state must provide to the commissioner an inventory of hazardous substances reporting all hazardous substances that appear in each of its sites. Businesses with multiple facilities within the state shall provide separate inventories for each of their facilities within the state.

Subd. 5. [REPORTING CHANGE.] A business that manufactures, uses, or stores a hazardous substance in a site within the state must report to the local fire department within five days of the change and to the department of health no less than once each year, any:

(a) significant change in the use, handling, storage, or amount of hazardous substances; or

(b) new use or handling of a previously undisclosed hazardous substance.

Reporting changes required by this subdivision shall be made in writing and records of all reporting changes shall be retained by the business until the changes have been duly reported to the local fire department and the department of health. Changes in the name, address or ownership of a business shall be reported to the local fire department and department of health within 30 days.

Subd. 6. [FURTHER INFORMATION.] After receiving the information required under subdivision 4 or 5, the commissioner may request and the business shall provide additional information about hazardous materials as deemed necessary by the commissioner.

Subd. 7. [RETENTION OF DATA.] A business shall retain material safety data sheets for a period of at least one year after the hazardous substance was last used, manufactured, or stored in its business site.

Sec. 6. [144.395] [DUTIES OF LOCAL FIRE DEPARTMENTS.]

Subdivision 1. [DATA COLLECTION.] The local fire department shall accumulate and maintain current material safety data information on hazardous substances as received from manufacturers, users, or storers of hazardous substances within its jurisdiction.

Subd. 2. [TRAINING GRANTS.] Local fire departments may apply to the state board of vocational-technical education for training grants to ensure that local department personnel are properly trained to handle public safety emergencies involving hazardous substances.

Subd. 3. [MAINTENANCE GRANTS.] Local fire departments may apply to the department of public safety for data maintenance grants.

Sec. 7. [144.396] [NONPUBLIC DATA.]

Information and data in possession of local fire departments pursuant to sections 5 and 6 of this act are designated nonpublic data as defined in section 13.02.

Sec. 8. [144.397] [TRADE SECRET INFORMATION.]

Subdivision 1. [CHEMICAL NAME WITHHELD.] A business may withhold the chemical name of a hazardous substance on the material safety data sheet provided that:

(a) The business can establish that that information is a trade secret as

defined in section 325C.01, subdivision 5;

(b) *The business can establish that the substance is not a suspected or recognized carcinogen, reproductive toxicant, or one that causes other serious chronic or acute effects as defined by the American National Standards Institute Standard for Precautionary Labeling of Hazardous Industrial Chemicals (ANSI Z129.1-1982);*

(c) *The material safety data sheet indicates which information is being withheld on trade secret grounds; and*

(d) *The material safety data sheet remains on file at the local fire department for use in fire emergencies.*

Subd. 2. [INFORMATION PROVIDED.] A business must provide to the local fire department on the material safety data sheet the trade names or commonly-used names. The business shall not provide any information afforded trade secret protection by the department of health or any other state or federal agency unless it contains essential flammability data. In those cases, the business shall designate what information is considered trade secret information and is to be protected as such by the fire department.

Subd. 3. [CHEMICAL NAME.] When submitting its inventory to the department, the business must include the chemical name for each hazardous substance for which it is requesting trade secret status to the commissioner. The commissioner may request of the business any other information needed to assess the validity of a trade secret claim. The commissioner shall develop a system for insuring that trade secrets are not improperly disclosed.

Subd. 4. [INFORMATION PROTECTED.] No officer, employee, agent, or contractor of any local fire department or state department shall knowingly and intentionally disclose to anyone in any manner, unless authorized by law, any trade secret information, except as is required to administer the provisions of this act. Any person who violates this provision may be subject to the provisions of section 609.52 relating to the theft of trade secrets, and to the civil liabilities provided by chapter 325C or other relevant law.

Subd. 5. [ACCESS.] The public shall have access to all general information regarding health hazards and safety precautions. On the request of any person or upon his own initiative, the commissioner shall determine whether information registered with the department of health as trade secret information is a trade secret as defined in subdivision 1. In making a determination, the commissioner shall also determine whether the information should in any event be disclosed in order to properly protect the public health and safety. In the event of the commissioner's decision to disclose information which has been accorded trade secret protection, the business which has sought the protection shall be notified by the department of health prior to disclosure.

Subd. 6. [OTHER APPLICATION.] In cases where a chemical has already been afforded trade secret status by any state or federal agency, that trade secret designation shall be applied by the commissioner as well.

Subd. 7. [DISCLOSURE.] In the event of a health emergency, to protect the health of firefighters or the general public, the commissioner of health shall disclose the chemical names of any substance which has been awarded trade secret protection to a fire chief upon the chief's request. Notwithstand-

ing any other provisions of this section, the fire chief, or his designated representative, is authorized to disclose trade secret information to physicians and other health professionals when such action is necessary to properly protect health, safety, or property in an emergency situation.

Sec. 9. [144.398] [DUTIES OF THE STATE DEPARTMENT OF HEALTH.]

Subdivision 1. [REPORTING FORMS.] The department of health shall develop and provide for businesses standard forms for reporting and updating the information required on the inventory of hazardous substances.

Subd. 2. [DELEGATION OF RESPONSIBILITIES.] The commissioner of health may delegate any of the responsibilities under this act to a community health service agency organized and delegated pursuant to section 145.55.

Subd. 3. [DATA MAINTENANCE.] The department of health shall maintain the information and data received pursuant to section 5 for a period of no less than 30 years.

Subd. 4. [INVESTIGATION FOR COMPLIANCE.] The department of health shall investigate within 30 days after receiving a complaint of non-compliance with the requirements of this act, or after the failure to receive an inventory upon its request or that of a local fire department. The department of health shall have the right to enter a business site during normal operating hours to determine compliance with the provisions of this act and any rules adopted pursuant thereto.

Subd. 5. [ANNUAL REPORT.] The commissioner shall prepare a report to be presented to the governor and legislature by June 30, 1986. The report shall describe the frequency and nature of public requests for hazardous substance information and make recommendations for appropriate ways making such information to the public thereafter. Annually thereafter, the commissioner shall conduct a review of the actual or potential health and safety effects of hazardous substances on communities adjacent to businesses that manufacture, use, or store hazardous substances on their sites. The review shall be presented to the governor and the legislature by July 1 with recommendations for further action. The commissioner of health shall conduct a feasibility study to determine the appropriateness of epidemiologic studies in assessing health and safety effects using the data collected pursuant to section 5, subdivision 4, and shall report to the legislature by June 30, 1986. If the studies are determined to be feasible, the commissioner shall request support for them in the department's next biennial budget request.

Subd. 6. [INFORMATION ON LISTS.] (a) A community resident, (b) a representative of a unit of local or state government, or (c) a physician who needs the information for diagnosis or treatment is eligible to receive from the department of health a list of hazardous substances used, manufactured or stored in a facility, together with any health and safety information applicable to a particular substance. The information, unless protected by section 8, shall be provided by the commissioner after:

(a) receipt of a written request for information,

(b) determination of the eligibility of the applicant, and

(c) notification to the facility that a request for information has been received.

There shall be a minimum of two weeks between notification of a request to the facility and transmittal of the information to the eligible applicant. The commissioner may charge a reasonable fee for obtaining or reproducing any of the materials to be provided pursuant to this act. The commissioner may prescribe procedures by which the public may request and receive information.

Subd. 7. [RULES.] The commissioner may adopt rules to administer the provisions of the act for which the department of health is responsible.

Sec. 10. [144.399] [PENALTY.]

A violation of sections 1 to 9 constitutes a gross misdemeanor. Each day of violation shall constitute a separate and additional offense. The action may be brought by a city or county attorney, or by the attorney general.

Sec. 11. [APPROPRIATION.]

The sum of \$. is appropriated from the general fund to the state board of vocational-technical education to train fire department personnel regarding hazardous substances.

The sum of \$. is appropriated from the general fund to the department of public safety to assist local fire departments in the maintenance of data received pursuant to the provisions of this act.

The sum of \$. is appropriated from the general fund to the commissioner of health to administer the provisions of this act and to be available for the fiscal year ending June 30, 1985.

The approved complement of the department of health is increased by positions.

Sec. 12. [EFFECTIVE DATE.]

Section 5, subdivision 4, is effective on the day following final enactment. All other sections are effective January 1, 1985."

Delete the title and insert:

"A bill for an act relating to the environment; protecting communities from hazardous substances; requiring information to be given to local fire departments and the state department of health; providing training grants to local fire departments; promulgating rules; providing a penalty; appropriating money; proposing new law coded in Minnesota Statutes, chapter 144."

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

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

S.F. No. 1862: A bill for an act relating to insurance; regulating insurance claims settlement; defining terms; prescribing penalties; providing for the venue for certain injunction proceedings; amending Minnesota Statutes 1982, sections 72A.20, subdivisions 11 and 12; 72A.23, subdivision 1; and

72A.25, subdivision 2; proposing new law coded in Minnesota Statutes, chapter 72A.

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

Page 1, line 15, strike "10" and insert "15"

Page 1, line 20, delete the new language

Page 1, delete lines 23 to 27

Page 2, delete lines 1 to 4 and insert:

"Subd. 12. [UNFAIR SERVICE.] Causing or permitting with such frequency to indicate a general business practice ~~the claims and complaints of insureds to be processed in an unreasonable length of time, or in an unfair, deceptive, or fraudulent manner, or in violation of such rules as the commissioner of insurance shall make in the public interest to insure the prompt, fair, and honest processing of such claims and complaints, shall constitute an unfair method of competition and an unfair and deceptive act or practice any unfair, deceptive, or fraudulent act concerning any claim or complaint of an insured or claimant including, but not limited to, the following practices:~~

(1) misrepresenting pertinent facts or insurance policy provisions relating to coverages at issue;

(2) failing to acknowledge and act reasonably promptly upon communications with respect to claims arising under insurance policies;

(3) failing to adopt and implement reasonable standards for the prompt investigation of claims arising under insurance policies;

(4) refusing to pay claims without conducting a reasonable investigation based upon all available information;

(5) failing to affirm or deny coverage of claims within a reasonable time after proof of loss statements have been completed;

(6) not attempting in good faith to effectuate prompt, fair, and equitable settlements of claims in which liability has become reasonably clear;

(7) compelling insureds to institute litigation to recover amounts due under an insurance policy by offering substantially less than the amounts ultimately recovered in actions brought by the insureds;

(8) attempting to settle a claim for less than the amount to which a reasonable person would have believed he or she was entitled by reference to written or printed advertising material accompanying or made part of an application;

(9) attempting to settle claims on the basis of an application which was altered without notice to, or knowledge or consent of, the insured;

(10) making claims payments to insureds or beneficiaries not accompanied by a statement setting forth the coverage under which the payments are being made;

(11) making known to insureds or claimants a policy of appealing from arbitration awards in favor of insureds or claimants for the purpose of com-

elling them to accept settlements or compromises less than the amount awarded in arbitration;

(12) delaying the investigation or payment of claims by requiring an insured, claimant, or the physician of either to submit a preliminary claim report and then requiring the subsequent submission of formal proof of loss forms, both of which submissions contain substantially the same information;

(13) failing to promptly settle claims, where liability has become reasonably clear, under one portion of the insurance policy coverage in order to influence settlements under other portions of the insurance policy coverage;

(14) failing to promptly provide a reasonable explanation of the basis in the insurance policy in relation to the facts or applicable law for denial of a claim or for the offer of a compromise settlement.

Page 2, delete line 5 and insert:

“Sec. 3. Minnesota Statutes 1982, section 72A.20, is amended by adding a subdivision to read:

Subd. 12a. [CLAIMS SETTLEMENT.] (a) [ADMINISTRATIVE ENFORCEMENT.] The commissioner may, in accordance with chapter 14, adopt rules to insure the prompt, fair, and honest processing of claims and complaints. The commissioner may, in accordance with sections 72A.22 to 72A.25, seek and impose appropriate administrative remedies, including fines, for (1) a violation of this subdivision or the rules adopted pursuant to this subdivision; or (2) a violation of section 72A.20, subdivision 12. The commissioner need not show a general business practice in taking an administrative action for these violations.

No individual violation constitutes an unfair, discriminatory, or unlawful practice in business, commerce, or trade for purposes of section 8.31.”

Page 2, line 6, delete “Subdivision 1.” and insert “(b)”

Page 2, line 8, delete “section” and insert “subdivision,”

Page 2, line 8, delete “the effect and”

Page 2, delete lines 9 and 10 and insert “all pertinent facts and circumstances in determining the severity and appropriateness of the action to be taken in regard to any violation of this subdivision.

The magnitude of the harm to the claimant or insured, and any actions by the insured, claimant, or insurer that mitigate or exacerbate the impact of the violation may be considered.

Actions of the claimant or insured which impeded the insurer in processing or settling the claim, and actions of the insurer which increased the detriment to the claimant or insured may also be considered in determining the appropriate administrative action to be taken.”

Page 2, line 11, delete “Subd. 2.” and insert “(c)”

Page 2, line 11, delete “section” and insert “subdivision”

Page 2, line 13, delete “(a)” and insert “(1)”

Page 2, line 15, delete “(b)” and insert “(2)”

Page 2, line 18, delete "(c)" and insert "(3)"

Page 2, line 27, delete "(d)" and insert "(4)"

Page 2, line 33, delete "(e)" and insert "(5)"

Page 3, line 2, delete "(f)" and insert "(6)"

Page 3, line 4, delete "(g)" and insert "(7)"

Page 3, line 11, delete "(h)" and insert "(8)"

Page 3, line 17, delete "(i)" and insert "(9)"

Page 3, line 22, delete "(j)" and insert "(10)"

Page 3, line 25, delete "(k)" and insert "(11)"

Page 3, line 31, delete "(l)" and insert "(12)"

Page 3, line 34, delete "(m)" and insert "(13)"

Page 4, line 2, delete "(n)" and insert "(14)"

Page 4, line 13, delete "Subd. 3." and insert "(d)"

Page 4, delete lines 17 to 27 and insert:

"(1) except for claims made under a health insurance policy, after receiving notification of claim from an insured or a claimant, failing to acknowledge receipt of the notification of the claim within ten business days, and failing to promptly provide all necessary claim forms and instructions to process the claim, unless the claim is settled within ten business days. The acknowledgment must include the telephone number of the company representative who can assist the insured or the claimant in providing information and assistance that is reasonable so that the insured or claimant can comply with the policy conditions and the insurer's reasonable requirements. If an acknowledgment is made by means other than writing, an appropriate notation of the acknowledgment must be made in the claim file of the insurer and dated. An appropriate notation must include at least the following information where the acknowledgment is by telephone or oral contact:

(i) the telephone number called, if any;

(ii) the name of the person making the telephone call or oral contact;

(iii) the name of the person who actually received the telephone call or oral contact;

(iv) the time of the telephone call or oral contact; and

(v) the date of the telephone call or oral contact;"

Page 4, line 34, after "30" insert "business"

Page 5, line 4, before the semicolon, insert ". For claims made under a health policy the notification of claim must be in writing"

Page 5, delete lines 15 to 17

Renumber the remaining clauses in sequence

Page 5, line 32, before the semicolon, insert ". For the purposes of this clause, any claim on which the insurer has received no communication from

the insured or claimant for a period of two years preceding the expiration of the applicable statute of limitations shall not be considered to be known to be unresolved and notice need not be sent pursuant to this clause"

Page 6, line 11, after "*falsified*" insert "*by the agent or insurer*"

Page 6, line 22, delete "*Subd. 4.*" and insert "*(e)*"

Page 7, line 26, delete "*Subd. 5.*" and insert "*(f)*"

Page 7, line 28, delete "*subdivisions 3, 4, 6, 7, and 8*" and insert "*paragraphs (d), (e), (g), (h), and (i)*"

Page 10, line 17, delete "*Subd. 6.*" and insert "*(g)*"

Page 10, line 28, delete "*Subd. 7.*" and insert "*(h)*"

Page 10, line 33, delete "*specific*"

Page 11, line 9, delete "*(a)*" and insert "*(i)*"

Page 11, line 10, delete "*(b)*" and insert "*(ii)*"

Page 11, line 14, delete "*(c)*" and insert "*(iii)*"

Page 11, line 17, delete "*(a)*" and insert "*(i)*" and delete "*after*"

Page 11, line 18, delete "*proof of loss was submitted*"

Page 11, line 20, delete "*(b)*" and insert "*(ii)*"

Page 11, line 22, delete "*Subd. 8.*" and insert "*(i)*"

Page 12, line 14, delete "*Subd. 9.*" and insert "*(j)*"

Page 12, line 14, delete "*section*" and insert "*subdivision*"

Page 12, line 15, delete "*section*" and insert "*subdivision*"

Page 12, line 19, after the headnote, insert: "*Whenever it appears to the commissioner that any person has engaged or is about to engage in any act or practice constituting a violation of this chapter or any rule or order hereunder:*

(a) He may issue and cause to be served upon the person an order requiring the person to cease and desist from violations of section 72A.19 or 72A.20. The order must be calculated to give reasonable notice of the rights of the person to request a hearing thereon and must state the reasons for the entry of the order. A hearing must be held not later than seven days after the request for the hearing is received by the commissioner after which and within 20 days of the date of the hearing the commissioner shall issue a further order vacating the cease and desist order or making it permanent as the facts require. If no hearing is requested within 30 days of service of the order, the order will become final and will remain in effect until it is modified or vacated by the commissioner. All hearings must be conducted in accordance with the provisions of chapter 14. If the person to whom a cease and desist order is issued fails to appear at the hearing after being duly notified, the person shall be deemed in default, and the proceeding may be determined against him upon consideration of the cease and desist order, 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; and

(b)"

Page 12, line 22, delete the comma

Page 12, line 23, delete "72A.201"

Page 12, line 23, delete the first comma and insert "or" and delete the comma after "72A.20"

Page 12, line 24, delete "or 72A.201"

Page 12, line 33, delete "or 72A.201,"

Amend the title as follows:

Page 1, line 6, after "12" insert ", and by adding a subdivision"

Page 1, line 7, delete "; proposing"

Page 1, line 8, delete everything before the period

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. 1813: A bill for an act relating to motor fuels; setting standards for gasoline and gasoline-alcohol blends; providing testing authority for the weights and measures division of the department of public service; requiring alcohol content disclosure; providing for labeling; appropriating money; amending Minnesota Statutes 1982, sections 296.01, subdivision 3; 296.05, subdivisions 1, 4, 6, and by adding a subdivision; and 296.22, by adding a subdivision.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1982, section 296.01, is amended by adding a subdivision to read:

Subd. 2a. [ALCOHOL.] "Alcohol" means methanol or denatured ethanol containing no more than 1.25 weight percent of water. The determination of water content shall be made in accordance with American Society for Testing and Materials Standard Method E-203.

Sec. 2. Minnesota Statutes 1982, section 296.01, subdivision 3, is amended to read:

Subd. 3. [GASOLINE.] "Gasoline" means:

(a) all products commonly or commercially known or sold as gasoline (including casinghead and absorption or natural gasoline) regardless of their classification or uses; and

(b) any liquid prepared, advertised, offered for sale or sold for use as or commonly and commercially used as a fuel in internal combustion engines, which when subjected to distillation in accordance with the standard method of test for distillation of gasoline, naphtha, kerosene and similar petroleum prod-

uets (American Society for Testing Materials Designation D-86) shows not less than 10 percent distilled (recovered) below 347 degrees Fahrenheit (175 degrees Centigrade) and not less than 95 percent distilled (recovered) below 464 degrees Fahrenheit (240 degrees Centigrade); provided however, that "gasoline" shall not include liquefied gases which would not exist as liquids at a temperature of 60 degrees Fahrenheit and at a pressure of 14.7 pounds per square inch absolute tested by the weights and measures division of the department of public service meets the sulfur, distillation range, Reid vapor pressure, and copper corrosion requirements contained in American Society for Testing and Materials (ASTM) specification number D-439, "Standard Specification for Automotive Gasoline."

For gasoline that is blended with more than one volume percent of denatured ethanol, the gasoline portion of the blend or the finished gasoline-ethanol blend must meet the sulfur, distillation range, Reid vapor pressure, and copper corrosion requirements contained in ASTM D-439.

For gasoline that is blended with more than one volume percent of methanol, the finished gasoline-methanol blend must meet the sulfur, distillation range, Reid vapor pressure, and copper corrosion requirements contained in ASTM D-439, and must have a currently valid fuellfuel additive waiver by the United States Environmental Protection Agency as provided by United States Code, title 42, section 7545.

Sec. 3. Minnesota Statutes 1982, section 296.05, subdivision 1, is amended to read:

Subdivision 1. [GASOLINE.] No gasoline shall be sold for use in motor vehicles unless it shall conform to the following specifications:

- (1) It shall be is free from water, suspended matter, and all impurities;
- (2) The initial boiling point shall not be higher than 131 degrees Fahrenheit;
- (3) When 10 percent has been recovered in the receiver, the temperature shall not be higher than 167 degrees Fahrenheit;
- (4) When 50 percent has been recovered in the receiver, the temperature shall not be higher than 284 degrees Fahrenheit;
- (5) When 90 percent has been recovered in the receiver, the temperature shall not be higher than 392 degrees Fahrenheit;
- (6) The end point shall not be higher than 437 degrees Fahrenheit;
- (7) The minimum recovery in the receiver shall be 95 percent of the volume used for the test except during the months of November, December, January, February and March, when the minimum recovery shall be 93 percent;
- (8) The sulphur content shall not be more than 25 hundredths of one percent;
- (9) The residue shall not be more than two percent and it conforms to the requirements contained in section 296.01, subdivision 3.

Sec. 4. Minnesota Statutes 1982, section 296.05, subdivision 4, is amended to read:

Subd. 4. [TESTS, HOW MADE.] All tests shall be made by the weights and measures division of the department of public service in accordance with

the methods of outlined in the American Society for Testing and Materials specifications numbered D-439 and D-910.

Sec. 5. Minnesota Statutes 1982, section 296.05, subdivision 6, is amended to read:

Subd. 6. [AVIATION GASOLINE.] No aviation gasoline shall be received, sold, stored, or withdrawn from storage in this state unless it ~~shall conform~~ conforms to the specifications set forth in subdivision 4 and the ~~provisions of subdivisions 4 and 5 shall apply to aviation gasoline~~ American Society for Testing and Materials specification number D-910.

Sec. 6. Minnesota Statutes 1982, section 296.05, is amended by adding a subdivision to read:

Subd. 8. [ALCOHOL-BLENDED FUELS; DISCLOSURE.] A manufacturer, hauler, blender, agent, jobber, consignment agent, importer, or distributor who distributes gasoline containing alcohol shall state on an invoice, bill of lading, shipping paper, or other documentation used in normal and customary business practices, the percentages by volume and the types, if more than one percent, of alcohols contained in the gasoline; except when the gasoline is distributed to the ultimate consumer, such as a bulk delivery to a farmer, only the types of alcohol must be disclosed. In determining compliance with this subdivision, the weights and measures division of the department of public service shall allow a one percent tolerance above or below the percentage stated on the documentation.

Sec. 7. Minnesota Statutes 1982, section 296.22, is amended by adding a subdivision to read:

Subd. 13. [GASOLINE-ALCOHOL BLENDS; IDENTIFICATION.] When gasoline blended with alcohol is sold, offered for sale, or dispensed for use in motor vehicles, the dispenser shall be clearly marked to identify each type of alcohol, if more than one percent by volume, blended with the gasoline. The marking shall consist of a white or yellow adhesive decal not less than two inches by six inches with clearly printed black lettering not less than one-half inch high and one-eighth inch in stroke. The marking shall be conspicuously displayed on the front side of the dispenser and state that the gasoline "CONTAINS ETHANOL" or "CONTAINS METHANOL." This subdivision does not prohibit the posting of other alcohol or additive information.

Sec. 8. [APPROPRIATION; INCREASED COMPLEMENT.]

The sum of \$50,000 is appropriated from the general fund to the weights and measures division of the department of public service for the purpose of administering sections 1 to 7. The sum is available until June 30, 1985.

The general fund complement for the public service department is increased by one position."

Amend the title as follows:

Page 1, line 8, after "3" insert ", and by adding a subdivision"

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

Mr. Solon from the Committee on Economic Development and Com-

merce, to which was referred

S.F. No. 1826: A bill for an act relating to state government; specifying powers and duties of the commissioner of the department of energy and economic development; providing services for small businesses; amending Minnesota Statutes 1982, sections 116J.67, subdivision 8; 116J.68; Minnesota Statutes 1983 Supplement, sections 116J.10; 116J.61; proposing new law coded in Minnesota Statutes, chapter 116J.

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

Page 1, after line 10, insert:

“Section 1. [4.076] [AUTHORITY TO ALLOCATE INDUSTRIAL DEVELOPMENT BONDS.]

The governor may proclaim an allocation of industrial development bonds for any governmental unit authorized to issue such bonds under Minnesota law. The governor shall advise the chairmen of the senate finance committee and the house appropriations committee of such allocation. The allocation shall be effective only upon enactment of legislation changing Internal Revenue Code Section 103 similar to H.R. 4170 which would allocate and/or limit the issuing of industrial development bonds by states and local units of government. This allocation shall remain in effect until July 1, 1985.”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after “state government;” insert “specifying authority of the governor;”

Page 1, line 8, delete “chapter” and insert “chapters 4 and”

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

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1522 for comparison with companion Senate File, reports the following House File was found not identical with its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F.No.
1522	1377				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1522 be amended as follows:

Page 1, line 8, delete “laws” and insert “section 282.018”

And when so amended H.F. No. 1522 will be identical to S.F. No. 1377, and further recommends that H.F. No. 1522 be given its second reading and substituted for S.F. No. 1377, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secre-

tary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Solon from the Committee on Economic Development and Commerce, to which was referred the following appointment as reported in the Journal for March 8, 1984:

DEPARTMENT OF COMMERCE
COMMISSIONER

Michael Hatch

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

Mr. Moe, R.D. moved that the foregoing committee report be laid on the table. The motion prevailed.

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

S.F. No. 1404: A bill for an act relating to education; modifying certain erroneous and ambiguous education aid and levy provisions; amending Minnesota Statutes 1983 Supplement, sections 121.904, subdivision 4a; 124.195, subdivision 9; 124.201, subdivision 4; 124.2138, subdivision 1; 275.125, subdivisions 2e, 8, 8a, 9b; Laws 1983, chapter 314, article 6, section 34, subdivision 12, and article 9, section 14, subdivision 3.

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. [124.175] [AFDC PUPIL COUNT.]

Each year by March 1, the department of public welfare shall certify to the department of education, for each school district, the number of pupils from families receiving aid to families with dependent children who were enrolled in a public school on October 1 of the preceding year.

Sec. 2. [124.242] [ISOLATED SCHOOL AID.]

A district having more than 2,500 square miles in area and operating six or more secondary schools shall receive aid equal to \$50 times the actual pupil units in that school year.

Sec. 3. Minnesota Statutes 1983 Supplement, 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 \$1,346 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. *The*

formula allowance shall be \$1,600 for the 1984 payable 1985 levies and for foundation aid for the 1985-1986 school year.

Sec. 4. Minnesota Statutes 1982, section 124.2126, subdivision 1, is amended to read:

Subdivision 1. [QUALIFICATION.] A district where the assessed valuation of agricultural land identified in section 273.13, subdivisions 4, 6 and 6a, comprises 60 55 percent or more of the assessed valuation of the district shall qualify for minimum aid.

Sec. 5. Minnesota Statutes 1983 Supplement, section 124.2138, subdivision 1, is amended to read:

Subdivision 1. [BASIC MAINTENANCE LEVY EQUITY.] (1) In any year when the amount of the maximum levy limitation for any district under section 275.125, subdivision 2a, exceeds the district's basic foundation revenue for the corresponding fiscal year, an amount shall be deducted as provided in this subdivision from special state aids of chapter 124 receivable for the same fiscal year, and from state payments on behalf of the district for the same fiscal year authorized in sections 354.43, subdivision 1; 354A.12, subdivision 2; and 355.46, subdivision 3, clause (b). However, the aid authorized in sections 124.2137 and 124.646 shall not be reduced.

(2) The amount of the deduction shall equal the difference between:

(a) the sum of the amount of the district's maximum levy limitation under section 275.125, subdivision 2a, plus the amount of any reductions to that levy limitation pursuant to section 275.125, ~~subdivisions~~ subdivision 2e, clause (1)(b), and subdivision 9, and

(b) the district's basic foundation revenue.

However, for fiscal year 1985, the amount of the deduction shall be one-sixth of the difference between clauses (a) and (b); for fiscal year 1986, the amount of the deduction shall be one-third of the difference between clauses (a) and (b); for fiscal year 1987, the amount of the deduction shall be one-half of the difference between clauses (a) and (b); for fiscal year 1988, the amount shall be two-thirds of the difference between clauses (a) and (b); and for fiscal year 1989, the amount of the deduction shall be five-sixths of the difference between clauses (a) and (b).

Sec. 6. Minnesota Statutes 1983 Supplement, section 124A.06, subdivision 1, is amended to read:

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 124.2124, subdivision 1, 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 1.25 from the training and experience index, and multiply the difference by \$300 *for the 1984-1985 school year, or \$400 for the 1985-1986 school year and thereafter.*

(e) Select the greater of the result in clause (d) or zero.

(f) Add the results of clauses (c) and (e).

Sec. 7. Minnesota Statutes 1983 Supplement, section 275.125, subdivision 2e, is amended to read:

Subd. 2e. [BASIC MAINTENANCE LEVY; DISTRICTS OFF THE FORMULA.] (1) In any year when the amount of the maximum levy limitation under subdivision 2a for any district, exceeds the product of the district's foundation aid formula allowance for the year in which the levy is recognized as revenue times the estimated number of ~~actual and AFDC~~ *total* pupil units for that district for that school year, the levy limitation for that district under subdivision 2a shall be limited to the greater of the dollar amount of the levy the district certified in 1977 under Minnesota Statutes 1978, section 275.125, subdivision 2a, clause (1), or the following difference but not to exceed the levy limitation under subdivision 2a:

(a) the sum of

(i) the product of the district's foundation aid formula allowance for the school year in which the levy is recognized as revenue, times the estimated number of ~~actual and AFDC~~ *total* pupil units for that district for that school year, plus

(ii) the amount ~~of by which~~ special state aids of chapter 124 receivable for the same school year, excluding aid authorized in sections 124.2137 and 124.646, *are estimated to be reduced pursuant to section 124.2138, subdivision 1, plus*

(iii) the amount ~~of by which~~ state payments on behalf of the district for the same school year authorized in sections 354.43, subdivision 1; 354A.12, subdivision 2; and 355.46, subdivision 3, clause (b), *are estimated to be reduced pursuant to section 124.2138, subdivision 1, less*

(b) the estimated amount of any payments which would reduce the district's foundation aid entitlement as provided in section 124.2132, subdivision 4 in the school year in which the levy is recognized as revenue.

~~(1) However, for fiscal year 1985, the amounts in clauses (a)(ii) and (a)(iii) shall be multiplied by one-sixth; for fiscal year 1986, the amounts in clauses (a)(ii) and (a)(iii) shall be multiplied by one-third; for fiscal year 1987, the amounts in clauses (a)(ii) and (a)(iii) shall be multiplied by one-half; for fiscal year 1988, the amounts in clauses (a)(ii) and (a)(iii) shall be multiplied by two-thirds; and for fiscal year 1989, the amounts in clauses (a)(ii) and (a)(iii) shall be multiplied by five-sixths.~~

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

Sec. 8. Minnesota Statutes 1983 Supplement, section 298.28, subdivision 1, is amended to read:

Subdivision 1. [DISTRIBUTION FROM GENERAL FUND.] The pro-

ceeds of the taxes collected under section 298.24, except the tax collected under section 298.24, subdivision 2, shall, upon certificate of the commissioner of revenue to the general fund of the state, be paid by the commissioner of revenue as follows:

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

(2) 12.5 cents per taxable ton, less any amount distributed under clause (8), to the taconite municipal aid account in the apportionment fund of the state treasury, to be distributed as provided in section 298.282.

(3) 29 cents per taxable ton plus the increase provided in paragraph (c) to qualifying school districts to be distributed as follows:

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

(b) 23 cents per taxable ton, less any amount distributed under part (d), shall be distributed to a group of school districts comprised of those school districts wherein the taconite was mined or quarried or the concentrate produced or in which there is a qualifying municipality as defined by section 273.134 in direct proportion to school district tax levies as follows: each district shall receive that portion of the total distribution which its certified levy for the prior year, computed pursuant to section 275.125, comprises of the sum of certified levies for the prior year for all qualifying districts, computed pursuant to section 275.125. For purposes of distributions pursuant to this part, certified levies for the prior year computed pursuant to section 275.125 shall not include the amount of any increased levy authorized by referendum pursuant to section 275.125, subdivision 2d.

(c) On July 15, 1982 and on July 15 in subsequent years, an amount equal to the increase derived by increasing the amount determined by clause (3)(b) in the same proportion as the increase in the steel mill products index over the base year of 1977 as provided in section 298.24, subdivision 1, clause (a), shall be distributed to any school district described in clause (3)(b) where a levy increase pursuant to section 275.125, subdivision 2d, is authorized by referendum, according to the following formula. Each district shall receive the product of:

(i) \$150 times the pupil units identified in section 124.17, subdivision 1,

clauses (1) and (2), enrolled in the *second* previous school year, less the product of two mills times the district's taxable valuation in the second previous year; times

(ii) the lesser of:

(A) one, or

(B) the ratio of the amount certified pursuant to section 275.125, subdivision 2d, in the previous year, to the product of two mills times the district's taxable valuation in the second previous year.

If the total amount provided by clause (3)(c) is insufficient to make the payments herein required then the entitlement of \$150 per pupil unit shall be reduced uniformly so as not to exceed the funds available. Any amounts received by a qualifying school district in any fiscal year pursuant to clause (3)(c) shall not be applied to reduce foundation aids which the district is entitled to receive pursuant to sections 124.2121 to 124.2128 or the permissible levies of the district. Any amount remaining after the payments provided in this paragraph shall be paid to the commissioner of finance who shall deposit the same in the taconite environmental protection fund and the northeast Minnesota economic protection trust fund as provided in section 298.28, subdivision 1, clause 10.

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

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

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

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

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

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

(b) If an electric power plant owned by and providing the primary source of power for a taxpayer mining and concentrating taconite is located in a county other than the county in which the mining and the concentrating processes are

conducted, .75 cent per taxable ton of the tax imposed and collected from such taxpayer shall be distributed by the commissioner of revenue to the county and school district in which the power plant is located as follows: 25 percent to the county and 75 percent to the school district.

(6) One cent per taxable ton to the state for the cost of administering the tax imposed by section 298.24.

(7) Three cents per taxable ton shall be deposited in the state treasury to the credit of the iron range resources and rehabilitation board account in the special revenue fund for the purposes of section 298.22. The amount determined in this clause shall be increased in 1981 and subsequent years in the same proportion as the increase in the steel mill products index as provided in section 298.24, subdivision 1. The amount distributed pursuant to this clause shall be expended within or for the benefit of a tax relief area defined in section 273.134. No part of the fund provided in this clause may be used to provide loans for the operation of private business unless the loan is approved by the governor and the legislative advisory commission.

(8) .20 cent per taxable ton shall be paid in 1979 and each year thereafter, to the range association of municipalities and schools, for the purpose of providing an area wide approach to problems which demand coordinated and cooperative actions and which are common to those areas of northeast Minnesota affected by operations involved in mining iron ore and taconite and producing concentrate therefrom, and for the purpose of promoting the general welfare and economic development of the cities, towns and school districts within the iron range area of northeast Minnesota.

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

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

(a) In 1978 and each year thereafter, there shall be distributed to each city, town, school district, and county the amount that they received under section 294.26 in calendar year 1977; provided, however, that the amount distributed in 1981 to the unorganized territory number 2 of Lake County and the town of Beaver Bay based on the between-terminal trackage of Erie Mining Company will be distributed in 1982 and subsequent years to the unorganized territory number 2 of Lake County and the towns of Beaver Bay and Stony River based on the miles of track of Erie Mining Company in each taxing district.

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

under section 298.22.

On or before October 10 of each calendar year each producer of taconite or iron sulphides subject to taxation under section 298.24 (hereinafter called "taxpayer") shall file with the commissioner of revenue and with the county auditor of each county in which such taxpayer operates, and with the chief clerical officer of each school district, city or town which is entitled to participate in the distribution of the tax, an estimate of the amount of tax which would be payable by such taxpayer under said law for such calendar year; provided such estimate shall be in an amount not less than the amount due on the mining and production of concentrates up to September 30 of said year plus the amount becoming due because of probable production between September 30 and December 31 of said year, less any credit allowable as hereinafter provided. Such estimate shall list the taxing districts entitled to participate in the distribution of such tax, and the amount of the estimated tax which would be distributable to each such district in the next ensuing calendar year on the basis of the last percentage distribution certified by the commissioner of revenue. If there be no such prior certification, the taxpayer shall set forth its estimate of the proper distribution of such tax under the law, which estimate may be corrected by the commissioner if he deems it improper, notice of such correction being given by him to the taxpayer and the public officers receiving such estimate. The officers with whom such report is so filed shall use the amount so indicated as being distributable to each taxing district in computing the permissible tax levy of such county, city or school district in the year in which such estimate is made, and payable in the next ensuing calendar year, except that in 1978 and 1979 two cents per taxable ton, and in 1980 and thereafter, one cent per taxable ton of the amount distributed under clause (4)(c) shall not be deducted in calculating the permissible levy. Such taxpayer shall then pay, at the times payments are required to be made pursuant to section 298.27, as the amount of tax payable under section 298.24, the greater of (a) the amount shown by such estimate, or (b) the amount due under said section as finally determined by the commissioner of revenue pursuant to law. If, as a result of the payment of the amount of such estimate, the taxpayer has paid in any calendar year an amount of tax in excess of the amount due in such year under section 298.24, after application of credits for any excess payments made in previous years, all as determined by the commissioner of revenue, the taxpayer shall be given credit for such excess amount against any taxes which, under said section, may become due from the taxpayer in subsequent years. In any calendar year in which a general property tax levy subject to sections 275.125 or 275.50 to 275.59 has been made, if the taxes distributable to any such county, city or school district are greater than the amount estimated to be paid to any such county, city or school district in such year, the excess of such distribution shall be held in a special fund by the county, city or school district and shall not be expended until the succeeding calendar year, and shall be included in computing the permissible levies under sections 275.125 or 275.50 to 275.59, of such county, city or school district payable in such year. If the amounts distributable to any such county, city or school district, after final determination by the commissioner of revenue under this section are less than the amounts indicated by such estimates, such county, city or school district may issue certificates of indebtedness in the amount of the shortage, and may include in its next tax levy, in excess of the limitations of sections 275.125 or 275.50 to 275.59 an amount sufficient to pay such certificates of indebtedness and interest thereon, or, if no certificates were issued, an amount equal to such shortage.

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

Sec. 9. [APPROPRIATION.]

There is appropriated from the general fund to the department of education the sum of \$166,500 for isolated school aid for fiscal year 1985.

Sec. 10. [REPEALER.]

Minnesota Statutes 1982, section 124.212, subdivision 1, is repealed.

ARTICLE 2
SUMMER LEARNING PROGRAMS

Section 1. Minnesota Statutes 1982, section 124.20, is amended to read:

124.20 [AID FOR SUMMER ~~SCHOOL~~ LEARNING PROGRAM AND FLEXIBLE SCHOOL YEAR CLASSES.]

Subdivision 1. [PROGRAMS.] Foundation aid for (1) summer ~~school learning program~~ classes which are not a part of the regular school term in hospitals, sanatoriums, and home instruction programs, (2) inter-session classes of flexible school year programs, and (3) summer ~~school learning program~~ classes in elementary and secondary schools, and (4) ~~summer school instruction in teachers college laboratory schools or in the university laboratory school~~, shall be paid under the provisions of this section.

Subd. 2. [DEFINITIONS.] For the purposes of computing foundation aid for summer ~~school learning program~~ and inter-session classes of flexible school year programs, the following phrases shall have the meanings given them.

(1) "Summer ~~school learning program~~ pupil units" means full-time equivalent pupil units for summer ~~school learning program~~ classes and inter-session classes of flexible school year programs computed under the provisions of section 124.17.

(2) "Summer ~~school learning program~~ instructional revenue allowance" means an amount equal to the product of the number of summer ~~school learning program~~ pupil units in a district, times the foundation aid formula allowance as defined in section 124.2122 for the preceding regular school year.

(3) For summer programs in 1982, "summer school revenue allowance" means an amount equal to the product of the number of summer school pupil units in a district, times 89 percent of the foundation aid formula allowance as defined in section 124.2122 for the preceding regular school year. "Summer educational improvement revenue allowance" means an amount equal to the product of 0.005, times the number of actual pupil units in the district in the preceding regular school year, times the foundation aid formula allowance as

defined in section 124.2122 for the preceding regular school year.

(4) "Total summer learning program revenue allowance" means an amount equal to the sum of a district's summer learning program instructional revenue allowance and summer educational improvement revenue allowance.

(5) "Summer ~~school~~ learning program aid" means aid for summer ~~school~~ learning program and inter-session classes of flexible school year programs.

Subd. 4. [SUMMER LEARNING PROGRAM AID.] *In fiscal year 1986 and each year thereafter, a district shall receive summer learning program aid equal to the difference between:*

(1) the product of

(a) the ratio of the district's actual levy to its permitted levy, pursuant to section 275.125, subdivision 2k, certified in the calendar year before the summer learning program is offered; times

(b) the district's total summer learning program revenue allowance; and

(2) the levy certified by the district pursuant to section 275.125, subdivision 2k, in the calendar year before the summer learning program is offered.

Subd. 5. [AID ADJUSTMENT.] *The department of education shall adjust the summer learning program aid paid each year to reflect adjustments which were made or could have been made to the levy because of a difference between estimated and actual pupil membership. The department shall also adjust summer learning program levy limitations for districts where actual pupil membership differs from estimated pupil membership.*

Subd. 6. [AUTHORIZED USE OF SUMMER LEARNING PROGRAM AID AND LEVY.] *(a) A school board may use the proceeds of the aid and levy received pursuant to this section and section 275.125, subdivision 2k, only for summer classes that are offered for credit or required for graduation or that provide academic enrichment or remediation. The proceeds may not be used for recreational sports, leisure activities, entertainment, recreational activities, crafts, hobbies, or any other classes of a similar nature. Summer learning programs for a handicapped pupil shall relate to the pupil's individual education plan.*

(b) The proceeds may also be used for expenditures during the summer for curriculum development, staff development, parent or community involvement, experimental educational delivery systems, the summer portion of an improved learning program operated according to sections 121.501 to 121.507, and other measures designed to improve education in the district.

Sec. 2. Minnesota Statutes 1982, section 124.201, subdivision 1, is amended to read:

Subdivision 1. [PROGRAMS.] *For fiscal years 1984 and 1985, foundation aid for handicapped pupils enrolled in (1) summer ~~school~~ learning program classes which are not a part of the regular school term in hospitals, sanatoriums, and home instruction programs, (2) inter-session classes of flexible school year programs, and (3) summer ~~school~~ learning program classes in elementary and secondary schools; and (4) summer ~~school~~ instruction in ~~teachers college laboratory schools or in the university laboratory school;~~ shall*

be paid under the provisions of this section.

Sec. 3. Minnesota Statutes 1983 Supplement, 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 learning program~~ and intersession classes of flexible school year programs, the following phrases shall have the meanings given them.

(1) "Summer ~~school learning program~~ pupil units" means full-time equivalent pupil units for summer ~~school learning program~~ classes and intersession 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 state board rules shall be included in the computation of summer ~~school learning program~~ pupil units *for the purposes of computing summer learning program foundation aid for payment in fiscal years 1984 and 1985.*

(2) "Summer ~~school learning program~~ revenue allowance" means an amount equal to the product of the number of summer ~~school learning program~~ 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 learning program~~ aid" means aid for summer ~~school learning programs~~ and intersession classes of flexible school year programs.

Sec. 4. Minnesota Statutes 1983 Supplement, section 124.201, subdivision 5, is amended to read:

Subd. 5. [SUMMER SCHOOL LEARNING PROGRAM AID.] In fiscal year 1985 ~~and each year thereafter~~, a district shall receive summer ~~school learning program~~ aid equal to the difference between:

(1) the product of

(a) the ratio of the district's actual levy to its permitted levy, pursuant to section 275.125, subdivision ~~2k 2j, clause (b)~~, certified in ~~the calendar year before the summer school program is offered 1983~~; times

(b) the district's summer ~~school learning program~~ revenue allowance; and

(2) the levy certified by the district pursuant to section 275.125, subdivision ~~2k 2j, clause (b)~~ in ~~the calendar year before the summer school program is offered 1983~~.

Sec. 5. Minnesota Statutes 1983 Supplement, section 275.125, subdivision 2k, is amended to read:

Subd. 2k. [HANDICAPPED SUMMER SCHOOL LEARNING PROGRAM LEVY.] In 1984 and each year thereafter, a district may levy for summer ~~school learning program~~ programs for handicapped pupils an amount equal to the following product:

(a) The district's estimated total summer ~~school learning program~~ revenue allowance as defined in section ~~124.201 124.20~~, subdivision 2, ~~clause (2)~~ for the summer ~~school learning program~~ session to be held in the calendar year after the calendar year when the levy is certified, times

(b) the lesser of

- (1) one, or
- (2) the ratio of

(i) the quotient derived by dividing the adjusted assessed valuation of the district in the second preceding year by the total pupil units in the district in the current *regular* school year, to

(ii) the equalizing factor for the current regular school year.

Sec. 6. [REQUEST OF THE REVISOR.]

The revisor of statutes, when editing 1984 Laws in preparation for publishing Minnesota Statutes 1984, is requested to change references to sections 121.501 to 121.507 in this act to references to the appropriate sections in chapter 129B.

Sec. 7. [REPEALER.]

Subdivision 1. Minnesota Statutes 1982, section 275.125, subdivision 2g, and Minnesota Statutes 1983 Supplement, section 275.125, subdivision 2i, are repealed.

Subd. 2. Minnesota Statutes 1982, section 124.201, as amended by Laws 1983, chapter 314, article 3, sections 3, 4, 5, 6, and 7; and by sections 2, 3, and 4 of this act; and Minnesota Statutes 1983 Supplement, section 275.125, subdivision 2j, are repealed.

Sec. 8. [EFFECTIVE DATE.]

Section 1 is effective September 1, 1984, for summer learning programs to be held in 1985 and thereafter. Section 7, subdivision 2, is effective May 1, 1985.

ARTICLE 3

SPECIAL EDUCATION

Section 1. Minnesota Statutes 1983 Supplement, section 120.17, subdivision 3b, is amended to read:

Subd. 3b. [PROCEDURES FOR DECISIONS.] Every district shall utilize at least the following procedures for decisions involving identification, assessment and educational placement of handicapped children:

(a) Parents and guardians shall receive prior written notice of:

(1) any proposed formal educational assessment or proposed denial of a formal educational assessment of their child;

(2) a proposed placement of their child in, transfer from or to, or denial of placement in a special education program; or

(3) the proposed provision, addition, denial or removal of special education services for their child;

(b) The district shall not proceed with the initial formal assessment of a child, the initial placement of a child in a special education program or the initial provision of special education services for a child without the prior written consent of the child's parent or guardian. The refusal of a parent or guardian to consent may be overridden by the decision in a hearing held

pursuant to clause (d) at the district's initiative after at least one attempt to obtain this consent through a conciliation conference held pursuant to clause (c);

(c) Parents and guardians shall have an opportunity to meet with appropriate district staff in at least one conciliation conference if they object to any proposal of which they are notified pursuant to clause (a);

(d) Parents, guardians and the district shall have an opportunity to obtain an impartial due process hearing initiated and conducted in the school district where the child resides, if after at least one conciliation conference the parent or guardian continues to object to:

(1) a proposed formal educational assessment or proposed denial of a formal educational assessment of their child;

(2) the proposed placement of their child in, or transfer of their child to a special education program;

(3) the proposed denial of placement of their child in a special education program or the transfer of their child from a special education program;

(4) the proposed provision or addition of special education services for their child; or

(5) the proposed denial or removal of special education services for their child.

At least five calendar days before the hearing, the objecting party shall provide the other party with a brief written statement of the objection and the reasons for the objection.

The hearing shall take place before an impartial hearing officer mutually agreed to by the school board and the parent or guardian. If the school board and the parent or guardian are unable to agree on a hearing officer, the school board shall request the commissioner to appoint a hearing officer. The hearing officer shall not be a school board member or employee of the school district where the child resides or of the child's school district of residence, an employee of any other public agency involved in the education or care of the child, or any person with a personal or professional interest which would conflict with his objectivity at the hearing. A person who otherwise qualifies as a hearing officer is not an employee of the district solely because the person is paid by the district to serve as a hearing officer. If the hearing officer requests an independent educational assessment of a child, the cost of the assessment shall be at district expense. The proceedings shall be recorded and preserved, at the expense of the school district, pending ultimate disposition of the action.

(e) The decision of the hearing officer pursuant to clause (d) shall be rendered not more than 45 calendar days from the date of the receipt of the request for the hearing. A hearing officer may grant specific extensions of time beyond the 45-day period at the request of either party. The decision of the hearing officer shall be binding on all parties unless appealed to the ~~commissioner~~ *hearing review officer* by the parent, guardian, or the school board of the district where the child resides pursuant to clause (f).

The local decision shall:

(1) be in writing;

(2) state the controlling facts upon which the decision is made in sufficient detail to apprise the parties and the ~~commissioner~~ *hearing review officer* of the basis and reason for the decision;

(3) state whether the special education program or special education services appropriate to the child's needs can be reasonably provided within the resources available to the responsible district or districts;

(4) state the amount and source of any additional district expenditure necessary to implement the decision; and

(5) be based on the standards set forth in subdivision 3a and the rules of the state board.

(f) Any local decision issued pursuant to clauses (d) and (e) may be appealed to the ~~commissioner~~ *hearing review officer* within 15 calendar days of receipt of that written decision, by the parent, guardian, or the school board of the district where the child resides.

If the decision is appealed, a written transcript of the hearing shall be made by the school district and shall be accessible to the parties involved within five calendar days of the filing of the appeal. The ~~commissioner~~ *hearing review officer* shall issue a final decision based on an impartial review of the local decision and the entire record within 30 calendar days after the filing of the appeal. The ~~commissioner~~ *hearing review officer* shall seek additional evidence if necessary and may afford the parties an opportunity for written or oral argument; provided any hearing held to seek additional evidence shall be an impartial due process hearing but shall be deemed not to be a contested case hearing for purposes of chapter 14. The ~~commissioner~~ *hearing review officer* may grant specific extensions of time beyond the 30-day period at the request of any party.

The final decision shall:

(1) be in writing;

(2) include findings and conclusions; and

(3) be based upon the standards set forth in subdivision 3a and in the rules of the state board.

(g) The decision of the ~~commissioner~~ *hearing review officer* shall be final unless appealed by the parent or guardian or school board to the court of appeals. The judicial review shall be in accordance with chapter 14.

(h) *The commissioner of education, having delegated general supervision of special education to the appropriate staff, shall be the hearing review officer except for appeals in which:*

(1) *the commissioner has a personal interest in or specific involvement with the student who is a party to the hearing;*

(2) *the commissioner has been employed as an administrator by the district that is a party to the hearing;*

(3) *the commissioner has been involved in the selection of the administrators of the district that is a party to the hearing;*

(4) *the commissioner has a personal, economic, or professional interest in the outcome of the hearing other than the proper administration of the federal and state laws, rules, and policies;*

(5) *the hearing challenges a state or local policy which was developed with substantial involvement of the commissioner; or*

(6) *the hearing challenges the actions of a department employee or official.*

For any appeal to which the exceptions in (h) apply, the state board shall name an impartial hearing review officer.

In all appeals, the parent or guardian of the handicapped student or the district that is a party to the hearing may challenge the impartiality of the proposed hearing review officer by applying to the state board.

(h) (i) Pending the completion of proceedings pursuant to this subdivision, unless the district and the parent or guardian of the child agree otherwise, the child shall remain in his current educational placement and shall not be denied initial admission to school.

(h) (j) The child's school district of residence, if different from the district where the child actually resides, shall receive notice of and may be a party to any hearings or appeals pursuant to this subdivision.

ARTICLE 4

COMMUNITY EDUCATION AND

COUNCIL ON QUALITY EDUCATION

Section 1. Minnesota Statutes 1983 Supplement, section 121.503, subdivision 5, is amended to read:

Subd. 5. [REPORT.] The council on quality education shall submit a report to the *education committees of the legislature* by February 1 each year. 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 1983 Supplement, section 129B.02, subdivision 4, is amended to read:

Subd. 4. [REPORT TO LEGISLATURE.] The council shall report to the *education committees of the legislature* by November 15 of each even-numbered year concerning all research and all proposals received, the dispositions of them by the council and the state board of education, the evaluations of the programs that were funded, and of receipts and expenditures resulting from sales of materials developed through venture fund grants.

Sec. 3. Minnesota Statutes 1983 Supplement, section 129B.041, subdivision 1, is amended to read:

Subdivision 1. [COPYRIGHT.] 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, may be copyrighted by the council in the name of the state and may be sold. 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. *Products sold shall be clearly labeled as products developed pursuant to a grant or loan from the council on quality education.*

Sec. 4. Minnesota Statutes 1983 Supplement, section 129B.041, subdivision 3, is amended to read:

Subd. 3. [REVOLVING FUND.] The education ~~products~~ *product and loan repayment* revolving account is established in the state treasury. ~~Except as provided in the agreement between the council and the Minnesota educational computing consortium pursuant to subdivision 2; Repayment of loans, made according to section 129B.04, subdivision 2, and sale 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.~~

Sec. 5. Minnesota Statutes 1983 Supplement, section 275.125, subdivision 8, is amended to read:

Subd. 8. [COMMUNITY EDUCATION LEVY.] (4) ~~Except as provided in clauses (2) and (3), in 1982 a district which has established a community education advisory council pursuant to section 121.88, may levy the amount raised by .9 mill times the most recent adjusted assessed valuation of the district, but no more than \$5 times the population of the district. This amount shall be reduced to \$4.75 per capita for districts which will qualify for aid in fiscal year 1984 equal to 25 cents per capita pursuant to section 124.271, subdivision 2a, clause (1)(b).~~

(2) ~~In 1982 districts which received total revenue in fiscal year 1983 from community education aid and levy in excess of \$5 times the population of the district, may levy the amount of the fiscal year 1983 revenue less \$5 times the population of the district in addition to the amount in clause (1).~~

(3) ~~In 1982 districts which will qualify for aid pursuant to section 124.271, subdivision 2a, clause (1)(c) may levy the greater of the following:~~

(a) ~~\$5 per capita minus \$7,000; or~~

(b) ~~the amount of their fiscal year 1983 revenue from community education aid and levy minus \$7,000.~~

(4) ~~In 1983 and (1) Each year thereafter, a district which has established a community education advisory council pursuant to section 121.88, may levy the amount raised by .8 mill times the most recent adjusted assessed valuation of the district, but no more than the greater of~~

(a) ~~\$5 times the population of the district, or~~

(b) ~~\$7,000.~~

(5) ~~In addition to the levy authorized in clause (4), in 1983 a district may levy an additional amount for community education programs equal to the difference obtained by subtracting~~

(a) ~~the sum in fiscal year 1984 of~~

(i) ~~the district's estimated maximum permissible revenue from community~~

education aid under section 124.271, subdivision 2a, clause (1), and

(ii) the community education levy authorized in clause (4) of this subdivision, from

(b) the sum in fiscal year 1983 of

(i) the district's maximum permissible revenue from community education aid under section 124.271, subdivision 2, excluding any reductions from community education aid made pursuant to Laws 1981, Third Special Session chapter 2, article 2, section 2, clause (mm), and Laws 1982, Third Special Session chapter 1, article 3, section 6, and

(ii) the maximum community education levy authorized in this subdivision for the district for the levy made in 1981, payable in 1982, before any reduction in the levy pursuant to subdivision 9.

(6) (2) In 1984 and Each year thereafter, in addition to the levy authorized in clause (4) (1), a district may levy an amount equal to the amount the district was entitled to levy pursuant to *Minnesota Statutes 1983 Supplement, section 275.125, subdivision 8, clause (5)* in 1983.

(7) (3) The levies authorized in this subdivision shall be used for community education, including nonvocational adult programs, recreation and leisure time activity programs, and programs authorized by sections 121.85 to 121.88 and 129B.06 to 129B.09. A school district may levy pursuant to this subdivision only after it has filed a certificate of compliance with the commissioner of education. The certificate of compliance shall certify that the governing boards of the county, municipality and township in which the school district or any part thereof is located have been sent 15 working days written notice of a meeting and that a meeting has been held to discuss methods of increasing mutual cooperation between such bodies and the school board. The failure of a governing board of a county, municipality or township to attend the meeting shall not affect the authority of the school district to levy pursuant to this subdivision.

(8) (4) The population of the district for purposes of this subdivision is the population determined as provided in section 275.14 or as certified by the department of education from the most recent federal census.

Sec. 6. Laws 1983, chapter 314, article 9, section 14, subdivision 3, is amended to read:

Subd. 3. [EARLY CHILDHOOD AND FAMILY EDUCATION PROGRAMS.] For early childhood and family education programs pursuant to sections 129B.06 to 129B.09, there is appropriated:

\$1,028,000.....1984.

The appropriation for fiscal year 1984 includes \$209,000 for grants for fiscal year 1983 payable in fiscal year 1984, and \$819,000 for grants for fiscal year 1984. The amount of the appropriation for grants for fiscal year 1984 is the total appropriation for these grants.

The council on quality education shall prorate this amount among the eligible districts in proportion to the ratio of the district's grant for fiscal year 1983 to the total amount of grants made for fiscal year 1983. However, the total amount of revenue received by a district for fiscal year 1984 pursuant to

this subdivision and Minnesota Statutes, section 124.271, subdivision 2a, clause (2) shall not exceed the amount of the district's grant for fiscal year 1983; *if any district's aid is reduced because of this limitation, the amount of the reduction shall be prorated among the districts not subject to this limitation.*

Sec. 7. [REPEALER.]

Minnesota Statutes 1983 Supplement, section 129B.041, subdivision 2, is repealed.

ARTICLE 5

VOCATIONAL EDUCATION

Sec. 1. Minnesota Statutes 1983 Supplement, section 124.5615, subdivision 5, is amended to read:

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 expenditure~~ fund and used solely for the purposes enumerated in section 124.5612, 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 of education~~ *state director*. The process in section 124.5614 shall not constitute approval for this purpose. Use of the aid shall be governed by the provisions of section 121.21, subdivision 4a.

Sec. 2. Minnesota Statutes 1982, section 124.565, subdivision 7, is amended to read:

Subd. 7. [VETERAN'S EXEMPTION.] ~~A Minnesota resident veteran who is a Minnesota resident shall be whose entire education has not included completion of at least one tuition free post secondary vocational technical school program,~~ is exempt from the tuition required by subdivision 3 until the veteran has completed the lesser of (a) 440 post-secondary vocational-technical school days, or the equivalent as determined by the state board ~~for of~~ vocational *technical* education, or (b) one post-secondary vocational-technical school program.

"Veteran" for the purpose of this subdivision means a person who served in the active military service in any branch of the armed forces of the United States after July 1, 1961 and before July 1, 1978, was a Minnesota resident at the time of induction into the armed forces and for the six months immediately preceding induction, and has been separated or discharged from active military service under conditions other than dishonorable.

Sec. 3. Minnesota Statutes 1982, section 124.573, subdivision 3, is amended to read:

Subd. 3. This aid shall be paid only for services rendered or for the costs designated in subdivision 2 which are incurred in secondary vocational education programs approved by the state department of education and operated in accordance with rules promulgated by the state board of education. These rules shall provide minimum student-staff ratios required for a secondary vocational education program in a cooperative center to qualify for this aid;

but. The rules shall not require any minimum number of program offerings or administrative staff, any minimum period of coordination time or extended employment for secondary vocational education personnel, or the availability of vocational student activities or organizations for a secondary vocational education program to qualify for this aid. The requirement in these rules that program components be available for a minimum number of hours shall not be construed to prevent pupils from enrolling in secondary vocational education courses on an exploratory basis for less than a full school year. ~~No rules promulgated by the state board pursuant to any statute shall require a district to offer secondary vocational education.~~ Rules relating to secondary vocational education programs shall not incorporate the provisions of the state plan for vocational education by reference. This aid shall be paid only for services rendered and for travel costs incurred by essential, licensed personnel who meet the work experience requirements for licensure pursuant to the rules of the state board for vocational of education.

Sec. 4. Minnesota Statutes 1982, section 136A.02, subdivision 6, is amended to read:

Subd. 6. There is hereby created a higher education advisory council, the membership of which shall include the president of the University of Minnesota, the chancellor of the state university board, the chancellor of the state board for community colleges, *the state director of the state board of vocational technical education*, the commissioner of education, the executive director of the Minnesota private college council, and a representative from the Minnesota association of private post-secondary schools. The advisory council shall (1) bring to the attention of the board any matters which the council deems as needing attention of the board, (2) make recommendations to the board as the council deems appropriate, (3) review and comment upon proposals and other matters before the board, and (4) provide any reasonable assistance to the board in its effort to fulfill responsibilities of the board. The board shall periodically inform the council of all matters under consideration by the board and shall refer all proposals to the council prior to transmitting such proposals as recommendations to the governor and the legislature. The board shall provide time for a report from the advisory council at each meeting of the board.

The higher education advisory council shall report to the board quarterly and at such other times as the council may deem desirable. The council shall determine its meeting times, but the council shall also meet within 30 days following a request for a council meeting by the executive director of the board.

Sec. 5. Minnesota Statutes 1983 Supplement, section 136C.04, is amended by adding a subdivision to read:

Subd. 4a. [CARRY OVER AUTHORITY.] *The state board may carry over any unexpended balance from its appropriation from the first year of a biennium into the second year of the biennium. The state board may carry over an unexpended balance up to a maximum of two percent of its biennial appropriation into the following biennium. These moneys shall not be taken into account in determining state appropriations.*

Sec. 6. [136C.06] [SOLE STATE AGENCY.]

The state board of vocational technical education is the sole state agency to

receive and disburse federal funds authorized by the Vocational Education Act of 1963, as amended in the education amendments of 1976, Public Law Number 94-482, and Code of Federal Regulations, title 34, part 400. The state board shall develop and submit the state plan for vocational technical education. The state board shall develop the state plan according to terms of agreement with the state board of education.

Sec. 7. [APPROPRIATION.]

The sum of \$500,000 is appropriated from the general fund to the state board of vocational technical education for fiscal year 1985 to develop new programs and to update curriculum.

Sec. 8. [EFFECTIVE DATE.]

Section 5 is effective June 30, 1984.

ARTICLE 6

OTHER AIDS AND LEVIES

Section 1. [121.881] [PURPOSE.]

The purposes of sections 1 and 2 are to strengthen families, to help parents to provide for their children's learning and development, and to help young children to develop their physical, mental, and social potentials.

Sec. 2. [121.882] [EARLY CHILDHOOD AND FAMILY EDUCATION PROGRAMS.]

Subdivision 1. [ESTABLISHMENT.] A district which provides a community education program may establish an early childhood and family education program. Two or more districts, each of which provides a community education program, may cooperate to jointly provide an early childhood and family education program.

Subd. 2. [PROGRAM CHARACTERISTICS.] Early childhood and family education programs are programs for children in the period of life from birth to kindergarten and for the parents of such children. The programs may include the following:

(1) programs to educate parents about the physical, mental, and emotional development of children;

(2) programs to enhance the skills of parents in providing for their children's learning and development;

(3) learning experiences for children and parents;

(4) activities designed to detect children's physical, mental, emotional, or behavioral problems that may cause learning problems;

(5) libraries of books, toys, home activity kits, and other educational materials which may be borrowed for home use;

(6) information on related community resources; or

(7) other programs or activities.

The programs shall not include activities for children that do not require substantial involvement of the children's parents.

Subd. 3. [SEPARATE ACCOUNTS.] The district shall maintain a separate account within the community education fund for money for early childhood and family education programs.

Subd. 4. [PARTICIPANTS' FEES.] A district may charge a reasonable fee but it shall waive the fee for a participant unable to pay.

Subd. 5. [ADDITIONAL FUNDING.] A district may receive funds from any governmental agency or private source.

Subd. 6. [COORDINATION.] A district is encouraged to coordinate the program with its special education and vocational education programs and with related services provided by other governmental agencies and nonprofit agencies.

Subd. 7. [DISTRICT ADVISORY COUNCILS.] The school board shall appoint an advisory council from the area in which the program is provided. A majority of the council shall be parents participating in the program. The council shall assist the board in developing, planning, and monitoring the early childhood and family education program. The council shall report to the school board and the community education advisory council.

Subd. 8. [TEACHERS.] A school board shall employ necessary qualified teachers for its early childhood and family education programs.

Subd. 9. [ASSISTANCE.] The department of education shall provide assistance to districts with programs described in this section.

Subd. 10. [RULES.] The state board of education may adopt rules about program facilities, staff, services, and procedures.

Sec. 3. [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:

(1) fewer than four school districts, if the combined enrollment is at least 10,000 pupils, which have entered into an agreement pursuant to section 122.541, 122.85, or 471.59; or

(2) four or more school districts which have entered into an agreement pursuant to section 122.541, 122.85, or 471.59; or

(3) a district or an attendance area within a school district with a total enrollment of more than 10,000 pupils in the attendance area.

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 encourage cooperation and partnerships with post-secondary educational systems and business and industry. Efforts shall also 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 school 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 school district and each pupil in average daily membership enrolled in the public elementary or secondary schools in the 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. 4. [124.2711] [EARLY CHILDHOOD AND FAMILY EDUCATION AID.]

Subdivision 1. [DEFINITION OF MAXIMUM REVENUE.] The "maximum revenue" for early childhood and family education programs for a school year means the amount of revenue equal to the product of five percent of the foundation aid formula allowance for the school year, times the greater of (a) 150, or (b) the number of people under five years of age residing in the district on September 1 of the preceding school year.

Subd. 2. [POPULATION.] For the purposes of subdivision 1, data reported to the department of education according to the provisions of section 120.095 may be used to determine the number of people under five years of

age residing in the district. The commissioner, with the assistance of the state demographer, shall review the number reported by any district operating an early childhood and family education program. If requested, the district shall submit to the commissioner an explanation of its methods and other information necessary to document accuracy. If the commissioner determines that the district has not provided sufficient documentation of accuracy, the commissioner may request the state demographer to prepare an estimate of the number of people under five years of age residing in the district and may use this estimate for the purposes of subdivision 1.

Subd. 3. [AID.] In fiscal year 1986 and thereafter, if a district complies with the provisions of section 2, it shall receive early childhood and family education aid equal to

(a) the difference between the maximum revenue, according to subdivision 1, and the permitted levy attributable to the same school year, according to section 275.125, subdivision 8b, times

(b) the ratio of the district's actual levy to its permitted levy attributable to the same school year, according to section 275.125, subdivision 8b.

Subd. 4. [USE OF REVENUE RESTRICTED.] The proceeds of the aid authorized by this section and the levy authorized by section 275.125, subdivision 8b, shall be used only for early childhood and family education programs.

Sec. 5. Minnesota Statutes 1983 Supplement, section 124.271, subdivision 2b, is amended to read:

Subd. 2b. [AID; 1985 AND AFTER.] (1) ~~In fiscal year 1985 and~~ Each fiscal year ~~thereafter, each~~ a district which is operating a community education program in compliance with rules promulgated by the state board shall receive community education aid in an amount equal to the difference obtained by subtracting

(a) an amount equal to .8 mill times the adjusted assessed valuation used to compute the community education levy limitation for the levy attributable to that school year, from

(b) the greater of

(i) \$7,000, or

(ii) \$5 times the population of the district.

(2) However, for any district which certifies less than the maximum permissible levy under the provisions of section 275.125, subdivision 8, clause (4), the district's community education aid under clause (1) of this subdivision shall be reduced by multiplying the aid amount computed pursuant to clause (1) of this subdivision by the ratio of the district's actual levy under section 275.125, subdivision 8, clause (4), to its maximum permissible levy under section 275.125, subdivision 8, clause (4). For purposes of computing the aid reduction pursuant to this clause, the amount certified pursuant to section 275.125, subdivision 8, clause (4), shall not reflect reductions made pursuant to section 275.125, subdivision 9.

(3) In addition to the amount in clause (1), in fiscal year 1985 ~~and each fiscal year thereafter~~ a district which makes a levy for community education

programs pursuant to section 275.125, subdivision 8, shall receive additional aid of 50 cents per capita.

Sec. 6. Minnesota Statutes 1983 Supplement, section 125.032, subdivision 2, is amended to read:

Subd. 2. [EXCEPTIONS.] A person who teaches in a community education program which qualifies for aid pursuant to section 124.26 shall continue to meet licensure requirements as a teacher. A person who teaches in an early childhood and family education program which is offered through a community education program and which qualifies for per capita aid pursuant to section 124.271 or section 3 shall continue to meet licensure requirements as a teacher. A person who teaches in a community education course which is offered for credit for graduation to persons under 18 years of age shall continue to meet licensure requirements as a teacher. A person who teaches a driver training course which is offered through a community education program to persons under 18 years of age shall be licensed by the board of teaching. A license which is required for an instructor in a community education program pursuant to this subdivision shall not be construed to bring an individual within the definition of a teacher for purposes of section 125.12, subdivision 1, or section 125.17, subdivision 1, clause (a). ~~A community education instructor shall not be defined as a teacher pursuant to section 129.63, subdivision 13, or be a member of a teacher bargaining unit solely as a result of that individual's employment in a community education program.~~

Sec. 7. Minnesota Statutes 1983 Supplement, section 275.125, subdivision 8a, is amended to read:

Subd. 8a. [INTERDISTRICT COOPERATION LEVY.] Each year, a district which is eligible for aid pursuant to section 124.272, 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 the levy shall not exceed the lesser of: (1) \$50 times the actual pupil units for that school year. No levy under this subdivision shall exceed; (2) \$50,000; or (3) one mill times the adjusted assessed valuation 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 program offerings resulting from the cooperation plan.

Sec. 8. Minnesota Statutes 1982, section 275.125, is amended by adding a subdivision to read:

Subd. 8b. [EARLY CHILDHOOD AND FAMILY EDUCATION LEVY.] *A district may levy for its early childhood and family education program. The amount shall not exceed the lesser of*

(a) .4 mill times the adjusted assessed valuation of the district for the year preceding the year the levy is certified, or

(b) the maximum revenue as defined in section 3, subdivision 1, for the school year for which the levy is attributable.

Sec. 9. Minnesota Statutes 1983 Supplement, section 275.125, subdivision 9b, is amended 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 aid reduction, according to Laws 1981, Third Special Session chapter 2, article 2, *section 2, but excluding clauses (l), (m), (n), (o), and (p)*, and Laws 1982, Third Special Session chapter 1, article 3, ~~sections section 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 section 271.125, subdivision 2a or 2e in that same year.

Sec. 10. Minnesota Statutes 1983 Supplement, section 275.125, subdivision 11c, is amended to read:

Subd. 11c. [HAZARDOUS SUBSTANCE CAPITAL EXPENDITURE LEVY.] In 1983 and each year thereafter, in addition to the levy authorized in subdivisions 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, *asbestos related repairs*, or the cleanup and disposal of polychlorinated biphenyls found in school buildings or property.

Sec. 11. Laws 1983, chapter 314, article 6, section 34, subdivision 12, is amended to read:

Subd. 12. [INDIAN EDUCATION.] (a) For certain Indian education programs there is appropriated:

\$156,000.....1984,

\$138,000.....1985.

The appropriations are based on aid entitlements of \$156,000 for fiscal year 1984 and \$163,000 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~~ \$48,972 to Independent School District No. 309-Pine Point School; ~~\$8,750~~ \$8,639 to Independent School District No. 166; ~~\$13,500~~ \$13,329 to Independent School District No. 432; ~~\$12,700~~ \$12,539 to Independent School District No. 435; ~~\$38,100~~ \$37,618 to Independent School District No. 707; and ~~\$35,350~~ \$34,903 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~~ \$50,955 to Independent School District No. 309-Pine Point School; ~~\$9,200~~ \$8,998 to Independent School District No. 166; ~~\$14,200~~ \$13,888 to Independent School District No. 432; ~~\$13,350~~ \$13,056 to Independent School District No. 435; ~~\$40,050~~ \$39,170 to Independent School District No. 707; and ~~\$37,100~~ \$36,285 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 allocations are based on 100 percent of the entitlement for fiscal year 1985, 85 percent of which is appropriated for payment in fiscal year 1985.*

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.

Sec. 12. [STATUTORY OPERATING DEBT LEVY INTO GENERAL

FUND.]

Notwithstanding Minnesota Statutes 1982, section 275.125, subdivision 9a, and any other law to the contrary, a school district located in a city of the first class, except Independent School District No. 625, may place the proceeds of the 1983 payable 1984 levy authorized by Minnesota Statutes 1982, section 275.125, subdivision 9a, in the general fund. This authority shall not be construed to modify a district's obligation to eliminate its statutory operating debt.

Sec. 13. [REPORT.]

The department of education shall submit an interim report to the legislature evaluating the education district program by March 1, 1985.

Sec. 14. [EARLY CHILDHOOD AND FAMILY EDUCATION AID FOR FISCAL YEAR 1985.]

Each district that provided an early childhood and family education program funded by the council on quality education during the 1982-1983 school year is entitled to receive aid in fiscal year 1985 to continue the program. The aid shall be in addition to community education aid. The aid shall equal (a) \$11,000, minus (b) the amount of aid received pursuant to Minnesota Statutes 1983 Supplement, section 124.271, subdivision 2b, clause (3). However, a district that has not established a community education program shall receive no aid under this section.

Sec. 15. [REPEALER.]

Minnesota Statutes 1982, sections 129B.06; 129B.07; 129B.08; and 129B.09, as amended by Laws 1983, chapters 260, section 29, and 314, articles 6, section 33, and 9, sections 8 and 9, are repealed.

Sec. 16. [APPROPRIATION FOR ABATEMENT AID DEFICIENCY.]

The appropriation for abatement aid for fiscal year 1984 according to Laws 1983, article 6, section 34, subdivision 3, is increased by \$1,000,000 to \$3,150,000 to prevent a deficiency.

Sec. 17. [APPROPRIATION.]

Subdivision 1. [EDUCATION DISTRICTS.] There is appropriated from the general fund to the department of education the sum of \$100,000 for aid for education districts. The sum shall be available until June 30, 1985.

Subd. 2. [EARLY CHILDHOOD AND FAMILY EDUCATION.] There is appropriated from the general fund to the department of education for fiscal year 1985 the sum of \$102,370. Of this sum \$87,370 is for aid to districts for fiscal year 1985 according to section 14. The aid shall be paid at 100 percent of the entitlement for fiscal year 1985. The remaining \$15,000 is for the department of education for personnel service contracts to provide assistance to districts.

Sec. 18. [EFFECTIVE DATE.]

Section 6 is effective the day following final enactment. Sections 1, 2, 4, and 14 are effective July 1, 1985.

MISCELLANEOUS

Section 1. Minnesota Statutes 1983 Supplement, section 121.15, subdivision 1, is amended to read:

Subdivision 1. [CONSULTATION.] A school district shall consult with the department of education before developing any plans and specifications to construct, remodel, or improve the building or site of an educational facility, *other than an area vocational-technical institute*. This consultation shall occur before a referendum for bonds, solicitation for bids, or use of capital funds according to section 275.125, subdivision 11a, clause (c), is initiated.

Sec. 2. Minnesota Statutes 1982, section 121.908, is amended by adding a subdivision to read:

Subd. 6. A school district providing early retirement incentive payments under section 125.611, severance pay under section 465.72, or health insurance benefits to retired employees under section 471.61, must account for the payments according to uniform financial accounting and reporting standards adopted for Minnesota school districts pursuant to section 121.902.

Sec. 3. Minnesota Statutes 1982, section 123.36, subdivision 10, is amended to read:

Subd. 10. (a) The board may lease a schoolhouse ~~which~~ that is not needed for school purposes to any person or organization. The board may charge and collect reasonable consideration for the lease and may determine the terms and conditions of the lease.

(b) In districts with outstanding bonds, the net proceeds of the lease shall be first deposited in the debt retirement fund of the district in an amount sufficient to meet when due *that percentage of the principal and interest payments for all outstanding bonds that is ascribable to the payment of expenses necessary and incidental to the construction or purchase of the particular building or property that is leased*. Any remaining net proceeds in these districts may be deposited in either the debt redemption fund or capital expenditure fund. ~~and~~ All net proceeds of the lease in districts without outstanding bonds shall be deposited in the capital expenditure fund of the district.

(c) The board may make capital improvements to a schoolhouse or a portion thereof, not exceeding in cost the replacement value of the schoolhouse, to facilitate its rental, and the lease of an improved schoolhouse shall provide for rentals which will recover the cost of the improvements over the initial term of the lease. Notwithstanding clause (b), the portion of the rentals representing the cost of the improvements shall be deposited in the capital expenditure fund of the district and the balance of the rentals shall be used as provided in clause (b).

Sec. 4. Minnesota Statutes 1983 Supplement, section 123.36, subdivision 13, is amended to read:

Subd. 13. [PROCEEDS OF SALE OR EXCHANGE.] Proceeds of the sale or exchange of school buildings or real property of the school district shall be used as provided in this subdivision.

(1) In districts with outstanding bonds, the proceeds of the sale or exchange shall first be deposited in the debt retirement fund of the district in an amount

sufficient to meet when due that percentage of the principal and interest payments for 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;

(d) for expenditures for the removal of asbestos from school buildings or property or for asbestos encapsulation, if the method for asbestos removal or encapsulation is approved by the department of education;

(e) for expenditures for the cleanup of polychlorinated biphenyls, if the method for cleanup is approved by the department of education;

(f) for capital expenditures ~~to renovate and improve for the betterment, as defined in section 475.51, subdivision 8, of district-owned school buildings in which enrollment has increased as a result of closing schools in the district, other than as provided in clauses (b), (c), and (d); or~~

(g) to replace the building or property sold.

The amount of the proceeds used for the purposes specified in clauses (a), (b), (c), (d), and (e) shall be deducted from the levy limitation computed for the levy authorized in section 275.125, ~~subdivision~~ subdivisions 11b and 11c, as applicable, 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 per-

centage 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. 5. Minnesota Statutes 1982, section 124.214, subdivision 1, is amended to read:

Subdivision 1. [OMISSIONS.] No adjustments to any aid payments made pursuant to this chapter, resulting from omissions in school district reports, except those adjustments determined by the legislative auditor, shall be made for any school year after December 45 30 of the next school year, unless otherwise specifically provided by law.

Sec. 6. Minnesota Statutes 1982, section 125.12, subdivision 2, is amended to read:

Subd. 2. [HIRING, DISMISSING.] School boards shall hire or dismiss teachers at duly called meetings. Where a husband and wife, brother and sister, or two brothers or sisters, constitute a quorum, no contract employing a teacher shall be made or authorized except upon the unanimous vote of the full board. No teacher related by blood or marriage, within the fourth degree, computed by the civil law, to a board member shall be employed except by a unanimous vote of the full board. The initial employment of the teacher in the district shall be by written contract, signed by the teacher and by the chairman and clerk. All subsequent employment of the teacher in the district shall be by written contract, signed by the teacher and by the chairman and clerk, except where there is a master agreement covering the employment of the teacher. Contracts for teaching or supervision of teaching can be made only with qualified teachers. No teacher shall be required to reside within the employing school district as a condition to teaching employment or continued teaching employment. *Notwithstanding the provisions of subdivision 6b, a teacher who does not already occupy an administrative or supervisory position does not have a right to employment in a supervisory or administrative position in a district based on seniority, seniority date, or order of employment by the district.*

Sec. 7. Minnesota Statutes 1982, section 125.12, subdivision 3, is amended to read:

Subd. 3. [PROBATIONARY PERIOD.] The first ~~and second~~ *three* consecutive years of a teacher's first teaching experience in Minnesota in a single school district shall be deemed to be a probationary period of employment, and after completion thereof, the probationary period in each school district in which ~~he the teacher~~ *is thereafter employed* shall be one year. ~~A teacher who has complied with the then applicable probationary requirements in a school district prior to July 1, 1967, shall not be required to serve a new probationary period in the said district subsequent thereto.~~ *A school board shall adopt a plan for written evaluation of teachers during the probationary period. Evaluation shall occur not less than three times each year. During the probationary period any annual contract with any teacher may or may not be renewed as the school board shall see fit; provided, however, that the school board shall give any such teacher whose contract it declines to renew for the*

following school year written notice to that effect before June 1. If the teacher requests reasons for any nonrenewal of a teaching contract, the school board shall give the teacher its reason in writing, including a statement that appropriate supervision was furnished describing the nature and the extent of such supervision furnished the teacher during ~~his~~ the employment by the board, within ten days after receiving such request. The school board may, after a hearing held upon due notice, discharge a teacher during the probationary period for cause, effective immediately, under section 123.35, subdivision 5.

Sec. 8. Minnesota Statutes 1982, section 125.185, subdivision 4, is amended to read:

Subd. 4. The board shall develop and create rules for the licensure of public school teachers and interns, and from time to time ~~the board of teaching~~ it shall revise or supplement the rules for licensure of public school teachers subject to the provisions of chapter 14. It shall be the duty of the board of ~~teaching~~ to establish rules for the approval of teacher education programs; provided these rules shall encourage teacher educators to obtain periodic classroom teaching experience. The board of ~~teaching~~ shall also grant licenses to interns and to candidates for original licenses and receive recommendations from local committees as established by the board of ~~teaching~~ for the renewal of teaching licenses, grant life licenses to those who qualify according to requirements established by the board of ~~teaching~~, and suspend or revoke licenses pursuant to sections 125.09 and 214.10. *Notwithstanding any law or rule to the contrary, the board shall not establish any expiration date for application for life licenses.* With regard to vocational education teachers the board of teaching shall adopt and maintain as its rules the rules of the state board for ~~vocational~~ of education and the state board of vocational-technical education.

Sec. 9. [126.60] [CREDIT FOR ADVANCED MATHEMATICS.]

A pupil who successfully completes a class of the high school portion of the University of Minnesota talented youth mathematics project shall be awarded credit by the school district. Successful completion of each class shall be contained in the pupil's secondary school records.

Sec. 10. Minnesota Statutes 1982, section 465.721, is amended to read:

465.721 [FUNDING.]

No county, city, township, ~~school district~~ or other governmental subdivision shall implement a plan for payment of severance pay pursuant to section 465.72 until a plan providing for full funding has been developed and approved by the governing body. *This section does not apply to school districts.*

Sec. 11. Laws 1976, chapter 20, section 5, subdivision 1, is amended to read:

Sec. 5. [RESERVE FUND FOR REDUCING STATUTORY OPERATING DEBT.] Subdivision 1. The district shall establish a special reserve account, which shall be designated "reserve account for purposes of reducing statutory operating debt" on its books and records into which the proceeds of the bonds authorized in section 1 and the levies made under section 4 shall be placed. The funds in this account shall be used only for the payment

of district operating expenses, but the amount in this account shall never supplement district revenues or income for the purposes of increasing the district's capital or operational expenditures or budgets, or for any purpose, other than to meet temporary cash needs. Earnings on sums in this account may be used for paying interest expenses on tax and aid anticipation certificates and for the purposes for which funds in this account may be used. *Earnings on sums in this account after June 30, 1984, may be withdrawn from the account and placed in the general fund.* The funds in this account may be invested and reinvested in accordance with the further provisions of Minnesota Statutes, Section 475.66, as amended.

Sec. 12. Laws 1983, chapter 314, article 8, section 23, is amended to read:

Sec. 23. [RULEMAKING ON CURRICULUM.]

Subdivision 1. [SECONDARY CURRICULUM.] By September 4, 1984, the state board of education shall adopt rules pursuant to chapter 14, establishing elementary and secondary curriculum requirements which will ensure that a minimum comprehensive educational program is available to all public secondary school students in the state. The secondary curriculum rules adopted by the state board shall be effective beginning in the 1985-1986 school year.

Subd. 2. [ELEMENTARY CURRICULUM.] By September 1, 1985, the state board of education shall adopt rules pursuant to chapter 14, establishing elementary curriculum requirements that will ensure that a minimum comprehensive educational program is available to all public elementary school students in the state. The elementary curriculum rules adopted by the state board shall be effective beginning in the 1986-1987 school year.

Subd. 3. [PROGRESS REPORT.] By March 31, 1985, the state board of education shall report to the education committees of the legislature about its progress toward adoption of elementary curriculum rules.

Subd. 4. [REPEALER.] This section is repealed on December 31, 1986.

Sec. 13. [VARIANCE FROM DESEGREGATION STANDARDS.]

Subdivision 1. [RULE CHANGE.] The rules of the state board of education governing the variance from the comprehensive school desegregation plan submitted by a school board to the commissioner of education shall be as follows:

The 15 percentage points requirement of Minnesota Rules, part 3535.0200, subpart 4 shall be used as the standard for local school boards in the process of developing plans to remove racial segregation in the district.

Notwithstanding the 15 percentage points standard, the commissioner shall, if the local board can justify an educational reason for a variance to the state board from the comprehensive school desegregation plan submitted, approve school desegregation plans that vary from the standard, except the variance may not cause the minority composition of the pupils in any school building to exceed the minority racial composition of the entire district, for the grade levels served by that school building, by more than 30 percent.

An educational reason shall include the effect on bicultural and bilingual programs, making magnet schools available to minorities, effectiveness of

school pairing programs, and other educational programs that should result in a better education for the children involved. In determining whether the educational reason put forth by the district justifies the variance, the state board shall determine whether other alternatives are educationally and economically available to the district such that the variance is not needed.

Subd. 2. [NONAPPLICATION OF CHAPTER 14.] The provisions of chapter 14 shall not apply to subdivision 1.

Subd. 3. [REVISOR INSTRUCTIONS.] The revisor of statutes shall change the provisions of Minnesota Rules, parts 3535.0700 to 3535.1700 to agree with subdivision 1.

Sec. 14. [TASK FORCE ON SCHOOL BUS SAFETY.]

Subdivision 1. [ESTABLISHMENT.] A task force on school bus safety is established. The task force shall consist of up to 13 members appointed by the commissioner of education. The commissioner shall appoint at least one member from the Minnesota safety council and one member from the department of public safety. The commissioner shall also appoint at least one school administrator and a person to represent parents with children who regularly ride the school bus. The task force shall terminate by June 30, 1985.

Subd. 2. [DUTIES.] The task force shall study school bus safety. The study shall include at least the following issues:

(1) equipment and other safety features of school bus design, including seat belts, surface padding, and compartmentalization;

(2) proposals for mandatory installation and use of seat belts in school buses;

(3) relative population of school buses which are and are not subject to federal requirements for safety features;

(4) qualifications, training, examination, and licensing of school bus drivers;

(5) adequacy of school bus maintenance;

(6) current requirements and practices about school bus hauling distances;

(7) safety aspects of school bus pickup points; and

(8) instruction given to school children about safe boarding and departing procedures.

Subd. 3. [EXPENSES.] The compensation of task force members, removal, and vacancies shall be as provided in section 15.059, subdivisions 3 and 4.

Subd. 4. [REPORT.] The task force shall report its findings and recommendations to the commissioner of education and the education committees of the legislature by December 1, 1984.

Sec. 15. [RETROACTIVE CREDITS.]

Credits shall be awarded for and pupil records shall contain classes completed at the University of Minnesota talented youth mathematics project

during the 1980-1981, 1981-1982, 1982-1983, and 1983-1984 school years.

Sec. 16. [APPLICABILITY OF THREE YEAR PROBATION.]

A teacher who has completed one year of the first teaching experience in Minnesota in a single school district on June 30, 1984, shall not be required to have a probationary period of three years.

Sec. 17. [INDEPENDENT SCHOOL DISTRICT NO. 271; SALE OF BUILDING.]

Subdivision 1. [BUILDING EXCHANGE FOR CASH, PRODUCTS, AND SERVICES.] Notwithstanding Minnesota Statutes, sections 123.36, subdivision 13, 123.37, and 471.345, or any other law to the contrary, Independent School District No. 271, Bloomington, may sell a school building to a purchaser for cash, products, and services provided by the purchaser. Cash received from the purchaser shall first be placed in the debt retirement fund in compliance with Minnesota Statutes, section 123.36, subdivision 13, clause (1). Additional cash, if any, may be placed in the general fund. Products and services may be provided for a period of time not to exceed five years according to contractual terms. The products and services shall consist of at least computer hardware, software, training, and related services as needed by the district.

Subd. 2. [EFFECTIVE DATE AND NO LOCAL APPROVAL.] Pursuant to section 645.023, subdivision 1, clause (a), subdivision 1 is effective without local approval the day following final enactment.

Sec. 18. [INDEPENDENT SCHOOL DISTRICT NO. 284; SALE OF BUILDINGS.]

Subdivision 1. Notwithstanding Minnesota Statutes, section 123.36, subdivision 13, or any other law to the contrary, Independent School District No. 284, Wayzata, may deposit the excess proceeds from the sale of any building owned by the district that is sold before January 1, 1986 into the general fund after complying with the provisions of Minnesota Statutes, section 123.36, subdivision 13, clause (1).

Subd. 2. [EFFECTIVE DATE AND NO LOCAL APPROVAL.] Pursuant to Minnesota Statutes, section 645.023, subdivision 1, clause (a), subdivision 1 is effective without local approval the day following final enactment.

Sec. 19. [INDEPENDENT SCHOOL DISTRICT NOS. 524 and 525; SPECIAL CONSOLIDATION PROVISIONS.]

Subdivision 1. [SCHOOL DISTRICT NOS. 524 and 525; CONSOLIDATION PROVISIONS.] Independent School District No. 524, Halstad, and Independent School District No. 525, Hendrum, as part of an agreement to consolidate according to section 122.23 or any other law, may agree to any of the following:

(a) election districts of the size and with the population desired by the consolidating districts; and

(b) election of school board members in any manner agreed upon, such as at large from a previously existing district or from the newly consolidated district, some members at large, some members from election districts or some members from previously existing districts.

Election districts created pursuant to this agreement may be changed or altered in the manner provided in section 123.32, subdivision 15. To the extent the provisions of section 122.23, or any other applicable law are inconsistent with this section, the provisions of this section shall apply.

Subd. 2. [EFFECTIVE DATE.] Pursuant to Minnesota Statutes, section 645.023, subdivision 1, clause (a), subdivision 1 is effective without local approval on the day following final enactment.

Sec. 20. [OPERATING DEBT LEVY FOR BUHL AND MOUNTAIN IRON CONSOLIDATION.]

Subdivision 1. [AUTHORIZATION.] In 1985 and each year thereafter, the newly created district formed by the consolidation of Independent School District No. 694, Buhl, and Independent School District No. 703, Mountain Iron, may make an additional levy to eliminate a deficit in the net unappropriated operating funds of the newly created district, determined as of June 30, 1985, and certified and adjusted by the commissioner. This levy each year may be an amount not to exceed 1.5 mills times the adjusted assessed valuation of the newly created district for the preceding year as determined by the equalization aid review committee.

Subd. 2. [USE OF PROCEEDS.] 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.

Subd. 3. [CONDITION OF LEVY AUTHORITY.] In any year in which the newly created district levies pursuant to this subdivision, it shall certify the maximum levy allowable under section 275.125, subdivision 2a, in that same year.

Subd. 4. [EFFECTIVE DATE AND NO LOCAL APPROVAL.] Pursuant to Minnesota Statutes, section 645.023, subdivision 1, clause (a), this section is effective without local approval the day following final enactment.

Sec. 21. [FUND TRANSFER AUTHORIZATION.]

Subdivision 1. [INDEPENDENT SCHOOL DISTRICT NO. 4.] Notwithstanding any law to the contrary, for the school year 1984-1985 Independent School District No. 4, McGregor, may permanently transfer an amount not to exceed \$800,000 from the general fund to the capital expenditure fund for the purpose of fire safety and energy conservation expenditures and school building betterment.

Subd. 2. [NO LOCAL APPROVAL.] Pursuant to section 645.023, subdivision 1, clause (a), subdivision 1 is effective without local approval the day following final enactment.

Sec. 22. [FUND TRANSFER AUTHORIZATION.]

Subdivision 1. [INDEPENDENT SCHOOL DISTRICT NO. 147.] Notwithstanding any law to the contrary, Independent School District No. 147, Dilworth, is authorized to permanently transfer to its general fund from its capital expenditure fund an amount not to exceed \$60,000.

Subd. 2. [LOCAL APPROVAL.] Subdivision 1 is effective the day after compliance by the school board of Independent School District No. 147 with

Minnesota Statutes, section 645.021, subdivision 3.

Sec. 23. [FUND TRANSFER AUTHORIZATION.]

Subdivision 1. [INDEPENDENT SCHOOL DISTRICT NO. 319.] Notwithstanding any law to the contrary, Independent School District No. 319, Nashwauk-Keewatin, is authorized to permanently transfer an amount not to exceed \$75,000 from the pupil transportation fund balance account entitled "appropriated for bus purchases" to the general fund unappropriated fund balance account for the purpose of reducing the school district's operating debt on or before June 30, 1984.

Subd. 2. [NO LOCAL APPROVAL.] Pursuant to Minnesota Statutes, section 645.023, subdivision 1, clause (a), subdivision 1 is effective without local approval the day following final enactment.

Sec. 24. [FUND TRANSFER AUTHORIZATION.]

Subdivision 1. [INDEPENDENT SCHOOL DISTRICT NO. 464.] Independent School District No. 464, Grove City, may permanently transfer \$80,000 from the capital outlay fund to the general fund.

Subd. 2. [LOCAL APPROVAL.] Subdivision 1 is effective the day after compliance by the school board of Independent School District No. 464, Grove City, with Minnesota Statutes, section 645.021, subdivision 3.

Sec. 25. [FUND TRANSFER AUTHORIZATION.]

Subdivision 1. [INDEPENDENT SCHOOL DISTRICT NO. 573.] Notwithstanding any law to the contrary, by June 30, 1984, Independent School District No. 573, Hinckley, may permanently transfer up to \$900,000 from its general fund to its capital expenditure fund to provide partial funding for energy conservation, computer and other technological expansion, for facilities for a computer networking system, and to remodel and construct an addition to the elementary school.

Subd. 2. [LOCAL APPROVAL.] Subdivision 1 is effective the day after compliance by the school board of Independent School District No. 573 with Minnesota Statutes, section 645.021, subdivision 3.

Sec. 26. [FUND TRANSFER AUTHORIZATION.]

Subdivision 1. [SCHOOL DISTRICT NO. 627; FUND TRANSFER.] Independent School District No. 627 may permanently transfer \$50,000 from the bus purchase account of the pupil transportation fund to the general fund for the 1984-1985 school year.

Subd. 2. [LOCAL APPROVAL.] Subdivision 1 is effective the day after compliance by the school board of Independent School District No. 627 with Minnesota Statutes, section 645.021, subdivision 3.

Sec. 27. [FUND TRANSFER AUTHORIZATION.]

Subdivision 1. [INDEPENDENT SCHOOL DISTRICT NO. 726.] Notwithstanding the provisions of Minnesota Statutes, section 121.912, in fiscal year 1984, Independent School District No. 726, Becker, is authorized to permanently transfer the sum of \$100,000 from the general fund of the district to the capital expenditure fund of the district to eliminate a deficit in the capital expenditure fund.

Subd. 2. [LOCAL APPROVAL.] Subdivision 1 is effective the day after compliance by the school board of Independent School District No. 726 with Minnesota Statutes, section 645.021, subdivision 3.

Sec. 28. [FUND TRANSFER AUTHORIZATION.]

Subdivision 1. [INDEPENDENT SCHOOL DISTRICT NO. 852.] Independent School District No. 852, Campbell-Tintah, is authorized to make a permanent transfer of interest income from the capital expenditure fund to the general fund before July 1, 1984, and again, before July 1, 1985.

Subd 2. [LOCAL APPROVAL.] Subdivision 1 is effective the day after compliance by the school board of Independent School District No. 852 with Minnesota Statutes, section 645.021, subdivision 3.

Sec. 29. [FUND TRANSFER AUTHORIZATION.]

Subdivision 1. [INDEPENDENT SCHOOL DISTRICT NO. 460.] Notwithstanding Minnesota Statutes, section 475.61, subdivision 4, or any other law to the contrary, by June 30, 1984, Independent School District No. 460, Granada-Huntley, may transfer to its general fund the amount of any surplus remaining in its debt service fund when the obligations and interest thereon for the Granada school building are paid.

Subd. 2. [LOCAL APPROVAL.] Subdivision 1 is effective the day after the school board of Independent School District No. 460 complies with Minnesota Statutes, section 645.021, subdivision 3.

Sec. 30. [BARGAINING IMPASSE RESOLUTION TASK FORCE.]

Subdivision 1. There is created a bargaining impasse resolution task force whose purpose shall be to study collective bargaining as it relates to public schools.

Subd. 2. The task force shall consist of 11 members as follows: two members of the senate appointed by the subcommittee on committees of the committee on rules and administration; two members of the house of representatives appointed by the speaker of the house; the director of the bureau of mediation services or a designee; and six members appointed by the governor. The six appointees of the governor shall be a school board member, a teacher, and four members of the general public. The task force shall elect a chair from its membership. The task force shall terminate on June 30, 1985.

Subd. 3. By December 1, 1984, the task force shall submit to the legislative commission on employee relations its report and recommendations on the impasse resolution policies under Minnesota Statutes, sections 179.61 to 179.76 relating to public schools. The task force shall study:

(1) existing provisions of state law relating to negotiations, mediation, and impasse resolution;

(2) attitudes of public employers and employees and the public on current collective bargaining laws relating to public schools;

(3) collective bargaining laws in other states relating to public schools;

(4) changes in statutory timelines and the right to strike; and

(5) collective bargaining rights and procedures relating to principals and

assistant principals.

Subd. 4. The legislative commission on employee relations shall provide staff for the task force. Members who are legislators shall be compensated in the same manner as other legislative meetings. The compensation of public members shall be governed by section 15.059.

Sec. 31. [REPEALER.]

Section 16 is repealed on June 30, 1985.

Sec. 32. [APPROPRIATION.]

Subdivision 1. [NETT LAKE.] The sum of \$20,000 is appropriated from the general fund to the department of education to pay the obligation of Independent School District No. 707, Nett Lake, for unemployment compensation. The sum shall be available until June 30, 1985.

Subd. 2. [BARGAINING IMPASSE STUDY.] The sum of \$10,000 is appropriated from the general fund to the legislative commission on employee relations for the bargaining impasse resolution task force. The sum shall be available until June 30, 1985.

Subd. 3. [BUS SAFETY TASK FORCE.] The sum of \$5,000 is appropriated from the general fund to the department of education for the task force on school bus safety. The sum is available until June 30, 1985.

Sec. 33. [EFFECTIVE DATES.]

Sections 6, 14, and 32, subdivision 3, are effective the day following final enactment. Sections 2 and 10 are effective June 30, 1984.

ARTICLE 8

TECHNOLOGY AND EDUCATIONAL IMPROVEMENT

Section 1. [121.4951] [INDIVIDUAL EVALUATIONS AND REPORTING.]

Subdivision 1. [INTENT] It is the intention of the legislature that evaluation procedures required by this section measure the progress of each pupil rather than measuring a pupil's performance relative to the pupil's classmates.

Subd. 2. [ADOPTION OF EVALUATION PROCEDURES.] Each school board shall adopt procedures for evaluating individual pupil progress in the areas of reading, writing, and mathematics. The board may designate additional curriculum areas in which pupil progress shall be evaluated.

Subd. 3. [SCHEDULE.] Individual pupil progress shall be evaluated in at least three grades prior to the tenth grade.

Subd. 4. [DIFFERENTIAL EVALUATION PROCEDURES.] The school board may adopt differential evaluation procedures for pupils who are handicapped, as defined in section 120.03, or for pupils of limited English proficiency, as defined in section 126.262, subdivision 2.

This subdivision shall not be construed to require differential evaluation procedures when the special education team, or equivalent professionals working with a pupil of limited English proficiency, determines the pupil can

be fairly assessed by the regular evaluation program with appropriate and available educational services and support.

Subd. 5. [MATERIALS.] Evaluation instruments need not be limited to written examinations but must be in a form which, in the board's judgment, will allow persons outside of the classroom to assess the pupil's achievement.

Subd. 6. [EVALUATION RESULTS.] The district shall notify each pupil's parent of the pupil's evaluation results in a form prescribed by the board.

A pupil's parent may request and shall be granted a conference to discuss the results of the evaluation and recommended actions to further the pupil's progress within available resources.

Subd. 7. [TIMELINE.] The evaluation procedures required by this section shall be adopted by June 30, 1986. Subdivision 3 shall be effective beginning in the 1986-1987 school year.

Sec. 2. Minnesota Statutes 1983 Supplement, section 121.601, is amended to read:

Subdivision 1. [ESTABLISHMENT.] The ~~department~~ commissioner of education shall ~~establish~~ maintain a program for providing in-service training to school district staff. ~~During the first year, the program shall provide in-service training to elementary and secondary staff in mathematics, science, and social science. For Each succeeding year of the program, the commissioner shall recommend to the legislature subject areas for which in-service training programs shall be provided. In-service training programs shall be designed to emphasize the academic content of the subject area. They shall also offer a broad spectrum of experiences, including activities which require active participant involvement rather than classroom lectures. To the extent possible, the in-service training programs shall be integrated with the technology in-service training provided according to sections 129B.34 and 129B.35.~~

Subd. 2. [NEED ASSESSMENT AND PLANNING GRANTS.] The commissioner shall determine the needs of pupils for a subject area, using the statewide assessment program, before making subject area recommendations to the legislature. The commissioner shall consult with teachers of the subject area to determine the needs of teachers.

Subd. 3. [INITIAL PROPOSALS AND PLANNING GRANTS.] The commissioner shall request initial proposals from eligible organizations and institutions. After reviewing the initial proposals, the commissioner may award up to 20 grants to develop proposals for final selection.

Subd. 4. [FINAL PROPOSALS.] ~~Grant~~ Final proposals ~~submitted by eligible applicants to the department~~ shall include at least the following:

(a) a variety of staff education activities which are designed to assess and upgrade ~~skills~~ the subject matter knowledge of those attending the training programs;

(b) provisions for addressing the requirements for licensure for those staff who currently are not licensed in the designated areas but who desire to be so

licensed;

(c) a plan for staff who participate in the training program to return to their school districts and provide training programs or disseminate information on in-service programs to other staff in their districts and regions;

(d) a process for notifying staff in the state who teach in the designated subject areas and who are eligible for the program, a process for selecting staff to participate in the in-service training program, and a mechanism for evaluation to be provided to the state board upon completion of the program;

(e) an estimated budget for the program, which shall provide for tuition expenses, related expenses including meals and lodging, and a stipend for participants in the program; and

(f) other information that may be requested by the department.

Subd. 3 5. [ELIGIBLE APPLICANTS.] The ~~department~~ *commissioner* may ~~allocate money award grants~~ to public or nonpublic institutions of higher education, public or private nonprofit organizations, educational cooperative service units, or school districts ~~for the purpose of providing in-service training according to this section.~~ When ~~approving or disapproving awarding~~ grants, the ~~department~~ *commissioner* shall ensure geographic accessibility of the programs to teachers throughout the state and a balance of programs available in different subject areas.

Subd. 4 6. [CONSULTATION.] When ~~making grants for the in-service training programs according to this section~~ *reviewing initial and final proposals*, the ~~department~~ *commissioner* shall consult with elementary and secondary staff in the designated subject areas to ensure that proposals submitted incorporate recent research findings and address the retraining needs of staff in those subject areas.

Subd. 5 7. [PRIVATE ADDITIONAL MONEY.] The ~~commissioner of education~~ may accept contributions from additional private or public sources to supplement state money ~~provided by this section.~~ These contributions shall be added to the total amount of available state money and shall be administered ~~by the department~~ in the same manner as state money.

Subd. 6. [FEDERAL MONEY.] The ~~commissioner of education~~ shall apply for and accept all federal money available for in-service training programs in the designated subject areas.

Subd. 7 8. [APPLICATION DATES.] ~~Applications for in-service training programs to be conducted during a school year shall be submitted to the department by January 15 preceding the beginning of that school year. The commissioner shall determine the dates by which initial and final proposals are to be submitted. The department commissioner shall approve or disapprove applications award grants each year by the following March 1.~~

Sec. 3. Minnesota Statutes 1983 Supplement, section 121.608, is amended to read:

121.608 [INSTRUCTIONAL EFFECTIVENESS PLAN.]

~~By January 1, 1984,~~ The commissioner of education shall develop a comprehensive statewide plan for maintaining and improving instructional effectiveness in the schools. The plan shall encourage implementation of

school effectiveness strategies based on research findings in the area, develop inservice training models for school district staff, integrate developments in educational technology with classroom instruction models, and develop a mechanism for establishing a statewide network to coordinate and disseminate information on research in instructional effectiveness. The commissioner may employ consultants and specialists to assist in the development of the plan, and, to the extent possible, shall utilize the information provided by the planning, evaluation, and reporting process and the statewide assessment program. *The plan shall be revised as necessary.*

Sec. 4. Minnesota Statutes 1983 Supplement, section 121.609, is amended to read:

121.609 [INSTRUCTIONAL EFFECTIVENESS TRAINING.]

Subdivision 1. [ADVISORY TASK FORCE; PROGRAM MODEL.] ~~By January 1, 1984,~~ The commissioner of education shall appoint an advisory task force to assist the department of education, in cooperation with the educational cooperative service units, in developing an implementation model for training school district staff in instructional effectiveness. The training program model shall be based on established principles of instructional design and the essential elements of effective instruction as determined by educational research. The training program model shall take into account the diverse needs of the school districts due to such factors as district size and location, and shall be structured to facilitate regional delivery of the training through the educational cooperative service units.

Subd. 2. [PILOT TESTING OF TRAINING MODEL.] Between January 1, 1984, and ~~January 1~~ June 30, 1985, the commissioner shall administer a pilot program of the instructional effectiveness training models which shall be implemented in at least 20 pilot sites throughout the state. The advisory task force established in subdivision 1 of this section may recommend modifications in the training models as necessary.

Subd. 3. [EVALUATION AND REPORT.] The commissioner shall pay an independent evaluator to conduct an evaluation of the effectiveness of this section. ~~The evaluator shall submit a report~~ A preliminary evaluation, including a sample survey of district personnel trained at the pilot sites, ~~to the commissioner~~ shall be completed by January 1, 1985.

The commissioner, with the assistance of the advisory task force, shall develop a long-term evaluation instrument for use at the pilot sites and other districts utilizing the instructional effectiveness models. The long-term evaluation instrument shall include a method for measuring student achievement.

Subd. 4. [REGIONAL SERVICES.] *The department shall contract with educational cooperative service units or other regional educational service agencies to provide assistance to the school districts in an educational cooperative service unit region in implementing instructional effectiveness models. In selecting an agency to provide assistance to the school districts, the department shall consider such factors as support of the proposal by the participating school districts and the extent to which the proposal provides for participation by school district staff. If more than one agency submits a proposal to provide services to school districts within an educational coop-*

erative service unit region, the department shall encourage the agencies to develop a joint proposal.

Subd. 5. [INSTRUCTIONAL EFFECTIVENESS TRAINING.] Utilizing the statewide plan developed pursuant to section 121.608 and the regional support services authorized in subdivision 4, the department of education shall provide instructional effectiveness training for school district staff. The training shall be provided by building level leadership teams, as defined in the statewide plan developed pursuant to section 121.608. The training shall include clarification of individual school goals and expectations, enhancement of collaborative planning and collegial relationships among the building staff, improvement of instructional skills and instructional climate of the school, and planning of staff development programs.

Sec. 5. [121.615] [MATH AND SCIENCE SUMMER INSTITUTES; ESTABLISHMENT.]

Beginning with the summer of 1985, the department shall establish three summer institutes at post-secondary institutions for secondary students who are outstanding in the areas of mathematics and science. The institutes shall be planned, operated, and staffed by faculty from the post-secondary institutions which are selected to be sites for the institutes. The curriculum development section of the department of education shall select the institutes on the basis of the proposals submitted pursuant to section 5.

Sec. 6. [121.616] [PROGRAM PROPOSALS; CRITERIA; STUDENT SELECTION.]

Subdivision 1. [PROGRAM APPLICATION PROCESS.] Any post-secondary institution may submit a proposal by October 1, 1984, to the commissioner to establish a four- to five-week summer program in either science, mathematics, or a combination of the two disciplines. By December 1, 1984, the commissioner of education shall approve three of the proposals and shall allocate the money to the approved institutions by January 1, 1985. No more than one summer institute shall be approved for any one post-secondary institution.

Subd. 2. [CRITERIA FOR APPROVAL.] Each proposal submitted to the commissioner for approval pursuant to subdivision 1 shall include at least the following:

- (a) a description of the four- to five-week program;*
- (b) a variety of courses at different academic levels in the discipline;*
- (c) an opportunity for computer applications;*
- (d) an interdisciplinary approach to various fields within the discipline;*
- (e) a description of the faculty and director from the post-secondary institution who will staff the institute; and*
- (f) a process for selection of students, as specified in subdivision 3.*

Subd. 3. [STUDENT SELECTION.] Each of the post-secondary institutions approved pursuant to subdivision 2 shall develop a procedure for selecting students to participate. The criteria for selection shall include testing results, teacher recommendations, student's grades in the relevant areas, and

any other criteria deemed appropriate by the post-secondary institution. Students shall be eligible to attend the summer institutes if they have completed at least the eighth grade but have not graduated from high school at the time of attending the institute. At least 20 students shall be selected to participate at each institute.

Subd. 4. [STUDENT RECORDS.] The student's participation in the institute shall be included as part of the student's high school records and high school credit shall be awarded for participation.

Subd. 5. [DISSEMINATION OF APPLICATION INFORMATION.] The department and the institutions offering the summer institutes shall cooperate in developing procedures for providing information about the summer institutes. The department of education shall disseminate information to all school districts and every nonpublic secondary school in the state. The department shall assure that application materials shall be available to all qualified students.

Sec. 7. [121.617] [FUNDING.]

Subdivision 1. [AUTHORIZED USES.] State aid for the summer institutes may be used for staffing costs, program materials, equipment, supplies, and other instructional costs of the program. The aid may also be used for student housing and meal costs. Transportation to and from the summer institutes shall be paid for by the students.

Subd. 2. [ADDITIONAL FUNDING.] The department and the selected post-secondary institutions may seek additional funding from other public or private sources to supplement state aid.

Sec. 8. Minnesota Statutes 1982, section 123.74, is amended to read:

123.74 [FINDINGS.]

The legislature finds that a process for curriculum evaluation and planning is needed for continued improvement of the educational program for all public school children in the state, and to allow for better evaluation of educational programs by local communities. The legislature further finds that such a process is needed to facilitate decisions by school boards and communities as to which services can best be provided by the public schools and which services can or should be provided by other institutions such as the family, the private sector or other public agencies. The legislature further finds that efficient use of educational resources is needed with regard to educational technology and interdistrict cooperation.

Sec. 9. Minnesota Statutes 1982, section 123.741, as amended by Laws 1983, chapter 314, article 8, section 9, is amended to read:

123.741 [PLANNING, EVALUATION AND REPORTING PROCESS.]

Subdivision 1. The school board of each school district in the state shall develop and adopt a written educational planning, evaluation, and reporting policy which establishes establishing educational goals, including measurable objectives, for the district, a process for achieving these goals, and procedures for evaluating and reporting progress toward the goals. These goals shall include meeting the curriculum requirements adopted by the state board of education. The school board shall review this policy each year and

adopt revisions which it deems desirable identify goals to be addressed during the current school year. School Boards are encouraged to develop this school district policy and any revisions after consultation with the staff of each school building. In formulating the policy, the school board of a district is encouraged to consider: (a) the number of dropouts of school age in the district and the reasons for the dropouts; (b) existing programs within the district for dropouts and potential dropouts and (c) program needs of dropouts and potential dropouts.

Subd. 2. The school board shall instruct the administrative and professional staff of the district to develop an instructional plan for the purpose of implementing the goals established in the district educational policy within resources available to the district. Insofar as possible the instructional plan shall include measurable instructional objectives to assist in directing and measuring progress toward the goals established in the district educational policy. For goals toward which progress is not easily measurable, the instructional plan shall include other appropriate means to direct and evaluate progress.

Subd. 3. Each school board is encouraged to appoint a curriculum advisory committee to provide for active community participation in the process of developing and revising the district educational policy; developing the instructional plan; evaluating progress and reporting to the public. To allow community participation, the board shall establish a curriculum advisory committee. The committee shall advise the board about the planning, evaluating, and reporting policy, goals, evaluation, and reporting as provided in this section. The committee shall consist of teachers, administrators, parents, and members of the community.

Subd. 4 3. Each year a final evaluation of progress shall be conducted, including both professional and consumer evaluations. The professional staff evaluation shall utilize test results and other performance data along with faculty interpretations and judgments. Consumer evaluation shall include the opinions of students, parents and other residents of the community served by the school the board shall evaluate its progress. The evaluation shall include the opinions of students, parents, and members of the community. In addition, it shall include assessment data according to section 11, subdivision 2, with staff commentary. It may include other performance data and test results.

Subd. 4. Upon receipt of After completing the annual evaluation reports, each school the board shall review the results and develop and adopt appropriate school improvement plans to improve areas where goals of the district educational policy have not been met. The improvement plans shall describe actions to be taken to correct any weakness evident from the results of the evaluation.

Subd. 5. The district educational policy, the reports of the annual evaluation including summary test results, and the plans for school improvement shall be made available to the citizens of the school district through media releases and other means of communicating with the public. These documents By September 1 of each year the board shall adopt a report including the following:

- (a) goals which were addressed that year in the process;
- (b) appropriate evaluation of the annual goals;

(c) the results of the evaluation;

(d) the improvement plans.

Every other year the report shall include an evaluation of the assessment program.

The school board may disseminate the report to the residents of the district by means approved by the curriculum advisory committee. The report shall also be on file and available for inspection by the public. A information eopies copy of the reports report shall be sent to the state board of education commissioner of education by September 1 of each year. All activities and reports pursuant to this section shall comply with chapter 13, and any other law governing data on individuals in school districts government data practices.

Subd. 6. [BIENNIAL EVALUATION; ASSESSMENT PROGRAM.] At least once every two years the board shall evaluate the testing program, using the following criteria:

(a) written objectives of the testing program;

(b) names of tests and grade levels tested; and

(c) utilization of test results.

Sec. 10. [123.7412] [REPORT TO THE COMMISSIONER.]

A brief description of the evaluation procedures adopted pursuant to section 1 shall be sent to the commissioner of education by September 1 of each year. If a written examination is a part of the district's evaluation procedures, the district shall also include a summary of the results of the examination, including the name of the examinations and grade levels tested. All activities and reports pursuant to this section shall comply with chapter 13 and any other law governing data on individuals in school districts.

Sec. 11. Minnesota Statutes 1982, section 123.742, as amended by Laws 1983, chapter 258, section 26, is amended to read:

123.742 [ASSISTANCE TO LOCAL SCHOOL DISTRICTS; ASSESSMENT PROGRAMS.]

Subdivision 1. [TECHNICAL ASSISTANCE.] Insofar as possible, the state board department of education and educational cooperative service units shall make technical assistance for planning and evaluation available to school districts upon request. The department shall collect the annual evaluation reports from local districts as provided in section 123.741, subdivision 5, and shall make this data available upon request to any district seeking to use it for purposes of comparisons of student performance.

Subd. 2. [LOCAL ASSESSMENT PROGRAM.] As part of the planning, evaluating and reporting process, each school district shall conduct an assessment program, utilizing the local assessment option developed by the department of education. A district may use an alternate assessment for a particular grade level if the district developed the assessment and used it at that grade level before June 30, 1984. The alternate assessment shall be submitted to the commissioner. Every year each school district shall conduct an assessment for at least one curriculum area in at least three grade levels.

Handicapped pupils shall be assessed in the same manner as nonhandicapped pupils. Modifications shall occur only when and to the extent necessary to allow a handicapped pupil to demonstrate knowledge of the curriculum area. However, an individual education plan may provide for exemption from assessment.

Subd. 3. [PARTICIPATION IN STATEWIDE ASSESSMENT PROGRAM.] Each school district shall participate in the statewide assessment sampling process at least once every three years to provide normative data. The department of education shall determine which districts shall participate and which curriculum areas shall be assessed in a given school year.

Subd. 4. [ASSESSMENT ITEM BANK.] The department of education may develop an assessment item bank for the purpose of providing assessment programs to individual districts which are tailored to the specific educational objectives of the district. The department shall develop an item bank for at least two curriculum areas each year until the item bank has at least ten areas.

Subd. 5. The department upon written agreement with local school districts may perform additional testing and evaluation of students. The department may collect a reasonable fee not to exceed the actual cost of services.

Subd. 3 6. The department may provide available curriculum information for improving teaching practices at public elementary, secondary and post-secondary vocational schools. The information may be provided upon the request of a school district or an educational cooperative service unit with which the department has a written agreement. The department may collect reasonable fees not to exceed its actual costs for this service. The department may also accept money from any public or private source to defray the cost of this service.

Subd. 4 7. The department of education may provide career information to school districts and educational systems. The department may collect reasonable fees for subscriptions to the Minnesota career information service.

Sec. 12. Minnesota Statutes 1983 Supplement, section 123.743, is amended to read:

123.743 [APPROPRIATION.]

There is annually appropriated from the general fund to the department of education any and all amounts received by the department pursuant to section 123.742, subdivisions 2 5, 3 6, and 4 7.

Sec. 13. [123.7431] [AID FOR PLANNING, EVALUATION, AND REPORTING PROCESS.]

Subdivision 1. [ELIGIBILITY.] Each school district which completes the planning, evaluation and reporting process pursuant to the requirements of sections 123.741 and 123.742 and which receives approval from the commissioner of education is eligible to receive state aid. An eligible school district shall receive \$1 times average daily membership for the applicable school year. No district which is eligible for aid shall receive less than \$1,500.

Subd. 2. [PAYMENT OF AID.] The department of education shall pay aid

to a district within 30 days of approving the district's planning, evaluation and reporting process.

Sec. 14. Minnesota Statutes 1982, section 124.245, is amended by adding a subdivision to read:

Subd. 1d. [TECHNOLOGY EXPENDITURES.] For fiscal year 1986 and each year thereafter, the state shall pay a school district the difference by which an amount equal to \$25 per total 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 under this subdivision in any school year, a district must levy the maximum permissible amount, according to section 275.125, subdivision 11d, for use in that year. Aid paid under this subdivision may be used only for the purposes for which the proceeds of the levy authorized in section 275.125, subdivision 11d, may be used.

Sec. 15. [129B.10] [RESEARCH AND DEVELOPMENT GRANTS.]

Subdivision 1. [PURPOSE.] The purpose of this section is to support research on alternative educational structures and practices within public schools and to develop alternatives that are based on research.

Subd. 2. [ADVISORY TASK FORCE.] The council on quality education shall appoint an advisory task force on research and development for alternative educational structures and practices. The advisory task force shall consist of at least 11 members. All members shall have knowledge and experience in educational research, educational administration, or teaching. The advisory task force shall assist the council in carrying out its responsibilities under this section. The terms, compensation, and removal of members shall be governed by the provisions of section 15.059, subdivision 6.

Subd. 3. [RESEARCH AND DEVELOPMENT SUBJECTS.] The council shall select subjects for research and development focusing on alternative educational structures and practices. The subjects may include, but are not limited to, the following:

- (1) school site management;*
- (2) development of individualized education plans for all students;*
- (3) alternative staff compensation plans;*
- (4) alternative educational delivery systems; and*
- (5) outcome based education.*

Subd. 4. [PRELIMINARY STUDIES.] The council shall contract for preliminary studies to assist it in establishing research and development needs and selecting subjects for proposals. Preliminary studies shall include recommendations for evaluation procedures which the council may use if the council issues a grant for research and development in that particular subject.

Subd. 5. [REPORT TO LEGISLATURE; SUBJECTS.] By February 1, 1985, the council shall report to the legislature on the research needs that the council has identified, the recommended subjects for proposals, and the potential need for changes in rules and laws to facilitate the research and development programs. The report shall include specific proposals for inde-

pendent evaluation of research and development programs which will be funded under the provisions of this section. The legislature shall consider the recommendations of the council in determining the appropriation for grants to be disbursed under the provisions of this section.

Subd. 6. [RESEARCH AND DEVELOPMENT GRANTS.] By June 1, 1985, the council shall request proposals on three to six research and development subjects. Each request for proposals shall state the method which a funded program will be evaluated. By September 1, 1985, the council shall review the proposals it receives and award grants.

Subd. 7. [REPORT TO LEGISLATURE; RESEARCH REPORTS.] By February 1, 1988, the council shall report to the legislature. The report shall include the council's evaluation of each research and development program, recommendations for institutional changes in the structure of elementary and secondary education, and recommendations for other ways of improving elementary and secondary education.

Sec. 16. Minnesota Statutes 1983 Supplement, section 129B.32, subdivision 3, is amended to read:

Subd. 3. [COURSEWARE PACKAGE.] "Courseware package" means integrated videotape and videodisk, computer disk, and software and its supporting materials, such as workbooks and textbooks, and other computer support hardware that is an integral part of an educational software package, such as a printed circuit board, voice synthesizer which enables speech production and its speaker, tap master, valve simulator, and digital to analog converter board. It does not mean a central processing unit, disk drive, video monitor, printer, or similar items.

Sec. 17. Minnesota Statutes 1983 Supplement, section 129B.36, subdivision 7, is amended to read:

Subd. 7. [EVALUATION OF SITES.] The ~~state board~~ advisory committee shall evaluate the technology demonstration sites. It may contract with independent evaluators for this purpose.

Sec. 18. Minnesota Statutes 1983 Supplement, 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 total pupil unit, or \$95 per total pupil unit in districts where the actual number of actual 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 levy 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 purchase and lease computer systems hardware and related proprietary software, and related supporting materials, and to pay leasing fees for purchase or lease photocopy machines and telecommunications equipment. The proceeds may also be used to purchase textbooks, textbook substitutes, workbooks, and manuals when they are intended for use as a major source of study material for a class. The

proceeds of the tax may also be used for capital improvement and repair of school sites, buildings and permanent attached fixtures, energy assessments, 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. The proceeds of the tax may also be used to pay principal and interest on loans from the state authorized by section 116J.37.

(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.

(e) The proceeds of the tax levy 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 total pupil unit for capital expenditures for equipment for these programs.

(g) For purposes of computing allowable levies under this subdivision and 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 means total pupil units.

Sec. 19. Minnesota Statutes 1982, section 275.125, is amended by adding a subdivision to read:

Subd. 11d. [TECHNOLOGY CAPITAL EXPENDITURE.] In addition to the levies authorized in subdivisions 11a, 11b, and 11c, a district may levy an amount not to exceed the amount equal to \$25 per total 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 levy shall be placed in the capital expenditure fund. It may be used only

to obtain services and equipment for computer hardware, telecommunications, cable television, interactive video, film, low-power television, satellite communications, and microwave communications. It may not be used to purchase software.

Sec. 20. [SHARED FACILITIES REPORT.]

The commissioner shall collect information on and evaluate methods for sharing public school facilities with other organizations including government agencies, social service agencies, and other nonprofit and for-profit organizations. By January 1, 1985, the commissioner shall prepare a written report and make it available in published form to school districts and other interested persons. In developing this report the commissioner shall consult with persons in school districts in Minnesota and other states that are sharing facilities.

Sec. 21. [STUDY OF TEACHER EDUCATION.]

Subdivision 1. [HIGHER EDUCATION COORDINATING BOARD.] The higher education coordinating board shall conduct a study of teacher education programs in public and private institutions of higher education. The study shall result in a report and recommendations on the number, enrollment, mission, and location of all teacher education programs. The report shall include information and recommendations on the need for in-service education and the relationship of in-service, preservice, and graduate education. It shall also include information and recommendations for improving the quality and efficiency of teacher education programs by the use of standardized tests for beginning teachers, alternative methods of teacher preparation and certification, and other means. The report shall be submitted to the education committees of the legislature by January 1, 1985.

Subd. 2. [FACTORS.] In developing its recommendations the higher education coordinating board shall consider factors including, but not limited to:

- (a) the existing pool of licensed but inactive teachers;*
- (b) the demand for teachers in preschool, elementary, and secondary education;*
- (c) the number of teacher education programs and the annual number of graduates;*
- (d) admission criteria for teacher education programs;*
- (e) access of students to special or unique programs;*
- (f) procedures for licensing qualified, unlicensed individuals;*
- (g) the feasibility of modifying state criteria for teacher licensure;*
- (h) teacher preparation and certification procedures in other states;*
- (i) available information about the use and effectiveness of standardized tests for beginning teachers; and*
- (j) possible alternative methods for certification such as an undergraduate degree in a subject area plus an extended internship program.*

Sec. 22. [COOPERATION OF BOARDS AND INSTITUTIONS.]

All higher education governing boards and public and private institutions

are requested to cooperate fully with the higher education coordinating board in the preparation of the study of teacher education programs, pursuant to Minnesota Statutes, section 136A.05.

Sec. 23. [SCHOOL MANAGEMENT TASK FORCE.]

Subdivision 1. [ESTABLISHMENT.] The commissioner of education shall appoint a task force to make recommendations about an assessment center and in-service training for principals and assistant principals. The task force shall consist of 11 members. At least one member shall be from each of the following organizations: elementary school principals association, secondary school principals association, Minnesota association of school administrators, administrative women in education, and Minnesota school boards association. The commissioner shall appoint a member from the University of Minnesota or from another institution with a teacher preparation program, or both. Members of the task force shall receive expenses in the same manner and amount as state employees. The task force shall terminate on January 1, 1986.

Subd. 2. [DUTIES.] The task force shall make recommendations to the commissioner of education about the types of in-service training that are needed and how to provide effective in-service training for principals. The task force shall also make recommendations to the commissioner about an assessment center, including the location, costs of operation, staffing, manner of operation, services to be provided, fees for school districts, and other matters.

Sec. 24. [REPORT ON SUMMER INSTITUTES.]

By October 15, 1985, each post-secondary institution operating a summer institute for math or science shall submit a report on its program to the department of education. The report shall include a program description, and a program evaluation, including student evaluations, program costs, and recommendations for improvement. By December 15, 1985, the commissioner of education shall report to the education committees of the legislature, summarizing these reports and making appropriate recommendations.

Sec. 25. [REPEALER.]

Minnesota Statutes 1982, section 124.245, subdivision 1a, is repealed.

Sec. 26. [DEPARTMENT OF EDUCATION APPROPRIATIONS.]

Subdivision 1. [IN GENERAL.] There is appropriated from the general fund to the department of education the sums indicated in this section. The sums are available until June 30, 1985.

Subd. 2. [LOCAL ASSESSMENT PROGRAM.] The sum of \$575,000 is appropriated for fiscal year 1985 for the purposes of implementing the requirements of section 11, subdivision 2. The department may use up to \$200,000 of the appropriation for initial costs of establishing the program and up to \$150,000 to increase the staff complement in the assessment division.

Subd. 3. [DEVELOPMENT OF TEST ITEM BANK.] The sum of \$320,000 is appropriated for fiscal year 1985 for the purposes of section 11, subdivision 4. The department may use up to \$80,000 of the appropriation to increase the staff complement in the assessment division.

Subd. 4. [PLANNING, EVALUATION, AND REPORTING PROCESS.] The sum of \$1,020,000 is appropriated for fiscal year 1985 for the purposes of section 13.

Subd. 5. [SUBJECT AREA IN-SERVICE TRAINING.] The sum of \$300,000 is appropriated for subject area in-service training, according to section 121.601. This appropriation is in addition to the \$500,000 appropriated to provide subject area in-service training by Laws 1983, chapter 314, article 8, section 26, subdivision 2.

(a) Of the sum, \$210,000 shall be used for grants for in-service training in the following:

Math.....\$ 65,000

Science.....\$105,000

Social Studies.....\$ 40,000

The in-service training shall emphasize academic content in each of the subject areas. The grants shall be in addition to those awarded in fiscal year 1984.

(b) The remaining \$90,000 shall be for the department to assess future needs for subject area in-service training and for planning grants. The assessment and planning grants shall emphasize the academic content of the subject area.

Subd. 6. [INSTRUCTIONAL EFFECTIVENESS; EVALUATION INSTRUMENT.] The sum of \$250,000 is appropriated for the development of the training models specified in section 121.609, subdivision 1, as amended, and for the development of a long-term evaluation instrument pursuant to section 121.609, subdivision 3.

Subd. 7. [INSTRUCTIONAL EFFECTIVENESS; REGIONAL SERVICES.] The sum of \$330,000 is appropriated for the purposes of section 121.609, subdivision 5, as amended. The department shall allocate this appropriation to the educational cooperative service unit regions based on a formula that takes into account the number of school buildings, number of participating staff, and geographic distance between the service provider and the participating school districts. Any educational cooperative service unit or other provider agency receiving funds pursuant to this section shall match the funds with an amount equal to 25 percent of the allocation.

Subd. 8. [INSTRUCTIONAL EFFECTIVENESS; TRAINING.] The sum of \$250,000 is appropriated for the purposes of section 121.609, subdivision 5, as amended. This amount shall be used to pay for the costs of providing instructional effectiveness training to school district staff, including the costs of stipends or substitute teachers.

Subd. 9. [SUMMER INSTITUTES.] The sum of \$45,000 is appropriated for fiscal year 1985 for the math and science summer institutes.

The amount shall be allocated equally among the approved institutes provided that no institute may receive more than the actual cost of its program. In the event additional funds are available as a result of this limitation, those funds may be distributed to the other institutions, if needed, on the basis of the number of students served by each institute.

This appropriation is based on payment of 100 percent of the aid entitlement during fiscal year 1985.

Subd. 10. [SHARED FACILITIES REPORT.] The sum of \$10,000 is appropriated for the purposes of preparing a report on methods for sharing public school facilities.

Subd. 11. [RESEARCH AND DEVELOPMENT.] The sum of \$70,000 is appropriated for the council on quality education for research and development grants. At least \$50,000 of this appropriation shall be used for contracts for preliminary studies.

Subd. 12. [SCHOOL MANAGEMENT.] The sum of \$25,000 is appropriated for school management. Of this sum \$10,000 is for the school management task force. The remaining \$15,000 is to be used by the commissioner of education for initial administrative costs in establishing an assessment center.

Subd. 13. [TECHNOLOGY DEMONSTRATION SITES.] The sum of \$730,000 is appropriated to fund the technology demonstration site proposals under Minnesota Statutes, section 129B.36, which were the first, second, third, ninth, 12th, and 22nd highest proposals rated by the advisory committee on technology in education. The grants awarded to each of the six districts submitting these proposals shall be for use during the 1983-1984 and 1984-1985 school years and shall not exceed the actual amount of the grant proposal submitted to the state board of education or \$125,000, whichever is less.

Sec. 27. [APPROPRIATION FOR TEACHER EDUCATION STUDY.]

The sum of \$20,000 is appropriated from the general fund to the higher education coordinating board to conduct a study of teacher education programs. A portion of this sum may be used for consultants. The sum shall be available until June 30, 1985.

Sec. 28. [EFFECTIVE DATES.]

Sections 2, 3, 4, 5, 6, 7, 15, 20, 21, 23, 25, subdivision 2, and 27 are effective the day following final enactment.

ARTICLE 9

CASH FLOW

Section 1. Minnesota Statutes 1983 Supplement, section 121.904, subdivision 4a, 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 *plus 32 percent of the amount of the levy certified in the prior calendar year according to section 275.125, subdivision 2d, plus or minus auditor's adjustments, not including levy portions that are assumed by the state; or*

(3) thirty-two percent of the amount of the levy certified in the prior calendar year, plus or minus auditor's adjustments, 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; and

(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.

(4) In June, 1985, and each year thereafter, the levy recognition percentage specified in clauses (b)(2) and (b)(3) of this subdivision shall be reduced to a percentage factor equal to 32 percent, times the ratio of (a) the total state amount computed in June, 1985, under clauses (b)(1) to (b)(3)(iv) minus \$....., divided by (b) the total state amount computed in June, 1985, under clauses (b)(1) to (b)(3)(iv).

(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 1983 Supplement, section 124.155, subdivision 1, is amended to read:

Subdivision 1. [AMOUNT OF ADJUSTMENT.] *Beginning with* In 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 Laws 1982, third special session chapter 1, article 3, section 1;~~ 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 Laws 1982, third special session chapter 1, article 3, section 1.~~ *For the purposes of this subdivision of making the aid adjustment under this subdivision, the amount the district recognizes*

as revenue for either the prior fiscal year or the current fiscal year pursuant to section 121.904, subdivision 4a, clause (b), shall not include any amount levied pursuant to section 275.125, subdivision 2d. 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 1983 Supplement, section 124.195, subdivision 1, is amended to read:

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, except as provided in section 124.5629. The procedures described in this section for making disbursements to school districts will be used starting in fiscal year 1984, except that for districts that have tax anticipation certificates or aid anticipation certificates which were sold prior to June 30, 1983, and which mature prior to June 30, 1984, the payment schedules specified in Minnesota Statutes 1982 may continue to be used in fiscal year 1984 if the school district provides evidence to the commissioner of education that the payment schedules established in this section would jeopardize repayment of these certificates or prevent the district from making payments for other services without additional borrowing.

Sec. 4. Minnesota Statutes 1983 Supplement, section 124.195, subdivision 2, is amended to read:

Subd. 2. [DEFINITIONS.] (a) The term "Other district receipts" means payments by county treasurers pursuant to section 276.10, apportionments from the school endowment fund pursuant to section 124.09, 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.

(b) The term "Cumulative amount guaranteed" means the sum product of the following:

(1) one-third of the final adjustment payment according to subdivision 6; plus

(2) the product of

(i) the cumulative disbursement percentage shown in subdivision 3; times

(ii) (2) the sum of

(i) 85 percent of the estimated aid and credit entitlements paid according to subdivision 10; plus

(ii) 100 percent of the entitlements aids and credits paid according to subdivisions 8 and 9; plus

(iii) the other district receipts; plus

the final adjustment payment according to subdivision 6.

Sec. 5. Minnesota Statutes 1983 Supplement, section 124.195, subdivision 3, is amended to read:

Subd. 3. [PAYMENT DATES AND PERCENTAGES.] Beginning in fis-

each year 1984 and thereafter, The commissioner of education shall pay to a school district on the dates indicated an amount computed as follows: the cumulative amount guaranteed minus the sum of (a) the district's other district receipts through the current payment, and (b) the aid and credit payments through the immediately preceding payment. For purposes of this computation, the payment dates and the cumulative disbursement percentages are as follows:

	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: the greater of (a) one-half of the final adjustment for the prior fiscal year for the state paid property tax credits established in section 273.1392, or (b) the amount needed to provide 12.75 percent	12.75
Payment 6	First business day prior to September 30: the greater of (a) one-half of the final adjustment for the prior fiscal year for the state paid property tax credits established in section 273.1392, or (b) the amount needed to provide 16.5 percent	16.5
Payment 7	First business day prior to October 15: the greater of (a) one-half of the final adjustment for the prior fiscal year for all aid entitlements except state paid property tax credits, or (b) the amount needed to provide 20.75 percent	20.75
Payment 8	First business day prior to October 30: the greater of (a) one-half of the final adjustment for the prior fiscal year for all aid entitlements except state paid property tax credits, or (b) the amount needed to provide 25.0 percent	25.0
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:	85.0
Payment 21	First business day prior to May 15:	92.0
Payment 22	First business day prior to May 30:	100.0

Sec. 6. Minnesota Statutes 1983 Supplement, section 124.195, subdivision 6, is amended to read:

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 September or by October, as specified in subdivision 3.31.~~ In the event actual data are not available, the final adjustment payment may be computed based on estimated data. A corrected final adjustment payment shall be made when actual data are available.

Sec. 7. Minnesota Statutes 1983 Supplement, section 124.195, subdivision 9, is amended to read:

Subd. 9. [PAYMENT PERCENTAGE FOR CERTAIN AIDS.] The following aids shall be paid at 100 percent of the entitlement for the current fiscal year: school lunch aid, according to section 124.646; ~~teacher institute aid, campus laboratory school aid, and high technology aids hearing impaired support services aid, according to section 121.201; and educational improvement aids, according to sections 121.601, 129B.33, 129B.34, and 129B.36.~~

Sec. 8. Minnesota Statutes 1983 Supplement, section 124.195, is amended by adding a subdivision to read:

Subd. 11. [NONPUBLIC AIDS.] *The state shall pay to each school district 85 percent of its aid for pupils attending nonpublic schools, according to sections 123.931 to 123.947 by December 31. The final aid distribution shall be made by December 31 of the following school year.*

Sec. 9. Minnesota Statutes 1982, section 475.61, subdivision 1, is amended to read:

Subdivision 1. [DEBT SERVICE RESOLUTION.] The governing body of any municipality issuing general obligations shall, prior to delivery of the obligations, levy by resolution a direct general ad valorem tax upon all taxable property in the municipality to be spread upon the tax rolls for each year of the term of the obligations. The tax levies for all years for municipalities other than school districts shall be specified and such that if collected in full they, together with estimated collections of special assessments and other revenues pledged for the payment of said obligations, will produce at least five percent in excess of the amount needed to meet when due the principal and interest payments on the obligations. The tax levies for school districts shall be specified and such that if collected in full they, together with estimated collection of other revenues pledged for the payment of the obligations, will produce between five and six percent in excess of the amount needed to meet when due the principal and interest payments on the obligations; except that, with the permission of the commissioner of education, a school board may specify a tax levy in a higher amount if necessary ~~because of either to meet an anticipated tax delinquency or for cash flow needs to meet the required payments from the debt redemption fund.~~ Such resolution shall irrevocably appropriate the taxes so levied and any special assessments or other revenues so pledged to the municipality's debt service fund or a special debt service fund or account created for the payment of one or more issues of obligations. The governing body may, in its discretion, at any time after the obligations have been authorized, adopt a resolution levying only a portion of such taxes, to be filed, assessed, extended, collected, and remitted

as hereinafter provided, and the amount or amounts therein levied shall be credited against the tax required to be levied prior to delivery of the obligations.

Sec. 10. Minnesota Statutes 1983 Supplement, 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 redemption 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 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 or for cash flow needs to meet the required payments from the debt redemption fund.

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. 11. [REPEALER.]

Minnesota Statutes 1983 Supplement, section 124.225, subdivision 12, is repealed.

Sec. 12. [APPROPRIATION.]

Subd. 1. [HEARING IMPAIRED SUPPORT SERVICES.] *The appropriation for payment of support services for hearing impaired persons, according to Laws 1983, article 3, section 19, subdivision 8, for fiscal year 1985 is increased from \$37,000 to \$43,000.*

Subd. 2. [1985 INCREASED AID ADJUSTMENTS.] *The sum of \$..... is appropriated from the general fund to the department of education for increased aid adjustments for fiscal year 1985, according to section 124.155.*

Sec. 13. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment. Section 2 is effective the day following final enactment and shall apply to the adjustment made pursuant to section 124.155 in fiscal year 1984 and thereafter."

Delete the title and insert:

"A bill for an act relating to education; providing for aids to education; tax

levies; granting certain duties and powers to school boards, school districts, the state board of education, and the commissioner of education; modifying and establishing certain aspects of foundation aid; modifying certain aspects of state payments to school districts; providing for summer learning programs, early childhood and family education, technology programs, and other special programs; appropriating money; amending Minnesota Statutes 1982, sections 121.908, by adding a subdivision; 123.36, subdivision 10; 123.74; 123.741, as amended; 123.742, as amended; 124.20; 124.201, subdivision 1; 124.2126, subdivision 1; 124.214, subdivision 1; 124.565, subdivision 7; 124.573, subdivision 3; 125.12, subdivisions 2 and 3; 125.185, subdivision 4; 136A.02, subdivision 6; 275.125, by adding subdivisions; 465.721; and 475.61, subdivision 1; Minnesota Statutes 1983 Supplement, sections 120.17, subdivision 3b; 121.15, subdivision 1; 121.503, subdivision 5; 121.601; 121.608; 121.609; 121.904, subdivision 4a; 123.36, subdivision 13; 123.743; 124.155, subdivision 1; 124.195, subdivisions 1, 2, 3, 6, 9, and by adding a subdivision; 124.201, subdivisions 2, 4, and 5; 124.2122, subdivision 1; 124.2138, subdivision 1; 124.271, subdivision 2b; 124.5615, subdivision 5; 124A.06, subdivision 1; 125.032, subdivision 2; 129B.02, subdivision 4; 129B.041, subdivisions 1 and 3; 129B.32, subdivision 3; 129B.36, subdivision 7; 136C.04, by adding a subdivision; 275.125, subdivisions 2e, 2k, 8a, 9b, 11a, and 11c; 298.28, subdivision 1; 475.61, subdivision 3; Laws 1976, chapter 20, section 5, subdivision 1; Laws 1983, chapter 314, article 6, section 34, subdivision 12; article 8, section 23; and article 9, section 14, subdivision 3; proposing new law coded in Minnesota Statutes, chapters 121, 123, 124, 126, 129B, and 136C; repealing Minnesota Statutes 1982, sections 124.201, as amended; 124.212, subdivision 1; 124.245, subdivision 1a; 129B.06; 129B.07; 129B.08; 129B.09, as amended; 275.125, subdivision 2g; Minnesota Statutes 1983 Supplement, sections 124.225, subdivision 12; 129B.041, subdivision 2; and 275.125, subdivisions 2i and 2j."

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. 1891, 1632, 1987, 1872, 1719, 1973, 1974, 1849, 1836, 1772, 1785, 1986, 1931, 1880, 1927, 1770, 1771, 1975, 1859, 2076, 1967, 1834, 1652, 2054, 1805, 1827, 1480, 1343, 1853, 1883, 1924, 1450, 1808, 1662, 1548, 1498, 2079, 1313, 1681, 1554, 1884, 1862, 1813 and 1826 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 1257, 523 and 1522 were read the second time.

MOTIONS AND RESOLUTIONS

Mr. Solon moved that the name of Mr. Ulland be added as a co-author to S.F. No. 1531. The motion prevailed.

Mr. Pehler moved that the name of Mr. Taylor be added as a co-author to S.F. No. 2042. The motion prevailed.

Mr. Taylor moved that the name of Mr. Solon be added as a co-author to

S.F. No. 2091. The motion prevailed.

Ms. Peterson, D.C. moved that the name of Mr. Dahl be added as a co-author to S.F. No. 2132. The motion prevailed.

Mr. Anderson introduced—

Senate Resolution No. 93: A Senate resolution commending Lyle Freer for his induction into the Minnesota Baseball Hall of Fame.

Referred to the Committee on Rules and Administration.

Mr. DeCramer introduced—

Senate Resolution No. 94: A Senate resolution congratulating the E-Gals basketball team from Southwest Christian High School for winning fourth place in the 1984 Girls State High School Basketball Championship.

Referred to the Committee on Rules and Administration.

Mrs. Lantry introduced—

Senate Resolution No. 95: A Senate resolution condemning the Adolph Coors Brewery for its negative policies and practices.

Referred to the Committee on Rules and Administration.

Mr. Bertram introduced—

Senate Resolution No. 96: A Senate resolution eulogizing and commemorating the life and exemplary work in the Minnesota Senate of Al Mareck.

Referred to the Committee on Rules and Administration.

Mr. Isackson introduced—

Senate Resolution No. 97: A Senate resolution congratulating the Blue Jay gymnastics team from Jackson High School for winning the 1984 Class A Girls State High School Gymnastics Championship.

Referred to the Committee on Rules and Administration.

CALENDAR

H.F. No. 1516: A bill for an act relating to local government; authorizing the levy of special assessments or service charges for fire protection systems; amending Minnesota Statutes 1982, sections 429.011, by adding a subdivision; 429.021, subdivision 1; 429.031, subdivision 3; 429.091, subdivisions 2 and 3; and 429.101, 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 64 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

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. 1934 and 1810, which the committee recommends to pass.

S.F. No. 341, which the committee recommends be returned to its author.

S.F. No. 1628, which the committee reports progress, subject to the following motion:

Ms. Berglin moved to amend S. F. No. 1628 as follows:

Page 2, delete sections 4 and 5 and insert:

"Sec. 4. Minnesota Statutes 1982, section 245.812, subdivision 4, is amended to read:

Subd. 4. Unless otherwise provided in any town, municipal or county zoning regulation *as authorized by this subdivision*, a licensed ~~day care~~ or residential facility serving from seven through ~~sixteen~~ 25 persons *or a licensed day care facility serving from 13 through 25 persons* shall be considered a permitted multi-family residential use of property for purposes of zoning. A township, municipal or county zoning authority may require a conditional use or special use permit ~~in order to assure proper maintenance and operation of a facility~~, provided that no ~~conditions standards~~ shall be ~~imposed on the homes used~~ which are more restrictive than those ~~imposed on~~ *used with respect to other conditional uses or special uses* of residential property in the same zones; ~~unless such additional conditions are necessary to protect the health and safety of the residents of the facility. The zoning authority may require a periodic review of the permit if required of all conditional use or special use permits. Nothing herein in this subdivision shall be construed to exclude or prohibit residential homes facilities from single family zones any zoning district if otherwise permitted by a local zoning regulation.~~

Page 3, line 25, after "*facility*" insert "*serving seven or more persons*"

Pages 4 and 5, delete sections 9 and 10 and insert:

"Sec. 8. Minnesota Statutes 1982, section 462.357, subdivision 8, is

amended to read:

Subd. 8. [PERMITTED MULTI-FAMILY USE.] Unless otherwise provided in any town, municipal or county zoning regulation as authorized by this subdivision, a state licensed residential facility serving from 7 through ~~16 mentally retarded or physically handicapped~~ 25 persons ~~or a licensed day care facility serving from 13 through 25~~ shall be considered a permitted multi-family residential use of property for purposes of zoning. A township, municipal or county zoning authority may require a conditional use or special use permit ~~in order to assure proper maintenance and operation of a facility,~~ provided that no ~~conditions~~ standards shall be ~~imposed on the homes used~~ which are more restrictive than those ~~imposed on~~ used with respect to other ~~conditional uses or special~~ uses of residential property in the same zones; ~~unless the additional conditions are necessary to protect the health and safety of the residents of the residential facility for the mentally retarded or the physically handicapped.~~ The zoning authority may require a periodic review of the permit if required of all conditional use or special use permits. Nothing ~~herein~~ in this subdivision shall be construed to exclude or prohibit residential ~~homes for the mentally retarded or physically handicapped facilities~~ from ~~single family zones any zoning district~~ if otherwise permitted by a local zoning regulation."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 13, delete "subdivisions" and insert "a subdivision"

Page 1, line 14, delete "subdivisions" and insert "a subdivision"

The motion prevailed. So the amendment was adopted.

S.F. No. 1628 was then progressed.

S.F. No. 1760, which the committee recommends to pass with the following amendment offered by Ms. Reichgott:

Page 1, line 18, delete "January" and insert "April"

The motion prevailed. So the amendment was adopted.

S.F. No. 1750, which the committee reports progress, subject to the following motions:

Mr. Wegscheid moved to amend S.F. No. 1750 as follows:

Page 7, after line 33, insert:

"Sec. 7. Minnesota Statutes 1982, section 82.20, subdivision 9, is amended to read:

Subd. 9. [TERMINATIONS; TRANSFERS.] (a) Except as provided in paragraph (b), when a salesperson terminates his activity on behalf of a broker, the salesperson's license shall be ineffective. Within ten days of the termination the broker shall notify the commissioner in writing, and shall return to the commissioner the license of the salesperson. The salesperson may apply for transfer of the license to another broker at any time during the remainder of the license period, on forms provided by the commissioner. If the application for transfer qualifies, the commissioner shall grant the appli-

cation. Upon receipt of a transfer application and payment of the transfer fee, the commissioner may issue a 45 day temporary license. If an application for transfer is not made within the license period, the commissioner shall require that an application for a new license be filed.

(b) When a salesperson terminates his activity on behalf of a broker in order to begin association immediately with another broker, the commissioner shall permit the automatic transfer of the salesperson's license. The transfer shall be effective either upon the mailing of the required fee and the executed documents by certified mail or upon personal delivery of the fee and documents to the commissioner's office. The commissioner may adopt rules and prescribe forms as necessary to implement this paragraph.

(c) When a broker terminates his activity in order to begin association with another broker, the commissioner shall permit the automatic transfer of the broker's license to a salesperson's license. If there are licensed salespersons working for the broker he shall certify that a broker will remain in the company he is leaving prior to issuance of the transfer. The transfer shall be effective either upon the mailing of the required fee and the executed documents by certified mail or upon personal delivery of the fee and documents to the commissioner's office.'

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 22, delete "subdivision 8" and insert "subdivisions 8 and 9"

The motion prevailed. So the amendment was adopted.

Mr. Wegscheid then moved to amend S.F. No. 1750 as follows:

Page 2, after line 33, insert:

"Sec. 3. Minnesota Statutes 1982, section 80A.14, subdivision 4, is amended to read:

Subd. 4. [BROKER-DEALER.] "Broker-dealer" means any person engaged in the business of effecting transactions in securities for the account of others or for his own account. "Broker-dealer" does not include:

(1) an agent;

(2) an issuer;

(3) a ~~bank, savings institution~~ or trust company; or

(4) a bank, savings institution, savings and loan association

(i) acting for the account of others, provided that such activities are conducted in compliance with such rules and regulations as may be adopted by the commissioner;

(ii) acting for its own account; or

(iii) acting in a fiduciary capacity pursuant to the powers and privileges described by sections 48.36 to 48.49 or 12 U.S.C. 92(a);

~~(4)~~(5) a person who has no place of business in this state if he effects transactions in this state exclusively with or through (i) the issuers of the securities involved in the transactions, (ii) other broker-dealers, or (iii)

banks, savings institutions, trust companies, insurance companies, investment companies as defined in the Investment Company Act of 1940, pension or profit sharing trusts, or other financial institutions or institutional buyers, or to broker-dealers, whether the purchaser is acting for itself or in some fiduciary capacity; or

(5)(6) other persons not within the intent of this subsection whom the commissioner by rule or order designates."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 20, before "80A.15" insert "80A.14, subdivision 4;"

The motion prevailed. So the amendment was adopted.

S.F. No. 1750 was then progressed.

S.F. No. 1758, which the committee reports progress, subject to the following motion:

Mr. Solon moved to amend S.F. No. 1758 as follows:

Page 7, after line 3, insert:

"Sec. 4. Minnesota Statutes 1982, section 47.204, subdivision 1, is amended to read:

Subdivision 1. [NO USURY LIMITS.] Notwithstanding any law to the contrary, no limitation on the rate or amount of interest, discount points, finance charges or other charges shall apply to a loan, mortgage, credit sale or advance which would have been exempt from the laws of this state pursuant to Pub. L. 96-221, Title V, Part A, Section 501, as amended as of June 2, 1981, but for section 47.203 and which is made in this state after June 2, 1981 and before August 1, 1984/1987."

Page 8, line 28, before "\$25,000" insert "(a)" and before "five" insert "(b)"

Page 8, line 29, delete the first comma and after "less" insert a comma

Page 14, after line 32, insert:

"Sec. 15. Minnesota Statutes 1982, section 51A.50, is amended to read:

51A.50 [FEDERAL SAVINGS ASSOCIATIONS AND SAVINGS BANKS.]

Federal savings associations, *federal savings banks*, or federal savings and loan associations, incorporated pursuant to the laws of the United States, as now or hereafter amended, are not foreign corporations or foreign associations. Unless federal laws or regulations provide otherwise, federal associations, *federal savings banks*, and the members or stockholders thereof shall possess all of the rights, powers, privileges, benefits, immunities, and exemptions that are now provided or that hereafter may be provided by the laws of this state for *savings* associations organized under the laws of this state and for the members or stockholders thereof. This provision is additional and supplemental to any provision which, by specific reference, is applicable to federal associations and the members or stockholders thereof. *Federal sav-*

ings banks shall possess all of the rights, powers, privileges, benefits, immunities, liabilities, and exemptions that are now provided or that hereafter may be provided by the laws of this state for federal savings and loan associations."

Page 19, after line 25, insert:

"Sec. 22. Minnesota Statutes 1983 Supplement, section 53.04, subdivision 3a, is amended to read:

Subd. 3a. (a) The right to make loans, secured or unsecured, at the rates and on the terms and other conditions permitted licensees under chapter 56. Loans made under the authority of chapter 56 must be in amounts in compliance with section 53.05, clause (3), or 56.131, subdivision 1, paragraph (a), whichever is less. The right to extend credit or lend money and to collect and receive charges therefor as provided by chapter 334, or in lieu thereof to charge, collect, and receive interest at the rate of 21.75 percent per annum. The provisions of sections 47.20 and 47.21 do not apply to loans made under this section, except as specifically provided in this subdivision. Nothing in this subdivision is deemed to supersede, repeal, or amend any provision of section 53.05. A licensee making a loan under this chapter secured by a lien on real estate shall comply with the requirements of section 47.20, subdivision 8.

(b) Loans made under this section at a rate of interest not in excess of that provided for in paragraph (a) may be secured by real or personal property, or both. If the proceeds of a loan made after August 1, ~~1984~~ 1987 are used in whole or in part to satisfy the balance owed on a contract for deed, the rate of interest charged on the loan must not exceed the rate provided in section 47.20, subdivision 4a. If the proceeds of a loan secured by a first lien on the borrower's primary residence are used to finance the purchase of the borrower's primary residence, the loan must comply with the provisions of section 47.20.

(c) A loan made under this section that is secured by real estate and that is in a principal amount of \$7,500 or more and a maturity of 60 months or more may contain a provision permitting discount points, if the loan does not provide a loan yield in excess of the maximum rate of interest permitted by this subdivision. Loan yield means the annual rate of return obtained by a licensee computed as the annual percentage rate is computed under Federal Regulation Z. If the loan is prepaid in full, the licensee must make a refund to the borrower to the extent that the loan yield will exceed the maximum rate of interest provided by this subdivision when the prepayment is taken into account."

Page 20, after line 5, insert:

"Sec. 24. Minnesota Statutes 1982, section 56.12, is amended to read:

56.12 [ADVERTISING; TAKING OF SECURITY; PLACE OF BUSINESS.]

No licensee shall advertise, print, display, publish, distribute, or broadcast, or cause or permit to be advertised, printed, displayed, published, distributed, or broadcast, in any manner any statement or representation with regard to the rates, terms, or conditions for the lending of money, credit,

goods, or things in action which is false, misleading, or deceptive. The commissioner may order any licensee to desist from any conduct which he shall find to be a violation of the foregoing provisions.

The commissioner may require that rates of charge, if stated by a licensee, be stated fully and clearly in such manner as he may deem necessary to prevent misunderstanding thereof by prospective borrowers. A statement of rates of charge that meets the requirements of the federal Truth-in-Lending Act and regulations thereunder shall be deemed full compliance with this section.

A licensee may take a lien upon real estate as security for any loan exceeding \$2,700 in principal amount made under this chapter. The provisions of sections 47.20 and 47.21 do not apply to loans made under this chapter, except as provided in this section. No loan secured by a first lien on a borrower's primary residence shall be made pursuant to this section if the proceeds of the loan are used to finance the purchase of the borrower's primary residence, unless:

(1) the proceeds of the loan are used to finance the purchase of a manufactured home; or

(2) the proceeds of the loan are used in whole or in part to satisfy the balance owed on a contract for deed. The rate of interest charged on such a loan made after August 1, 1984 1987, shall not exceed the rate provided in section 47.20, subdivision 4a.

If the proceeds of the loan are used to finance the purchase of the borrower's primary residence, the licensee shall consent to the subsequent transfer of the real estate if the existing borrower continues after transfer to be obligated for repayment of the entire remaining indebtedness. The licensee shall release the existing borrower from all obligations under the loan instruments, if the transferee (1) meets the standards of credit worthiness normally used by persons in the business of making loans, including but not limited to the ability of the transferee to make the loan payments and satisfactorily maintain the property used as collateral, and (2) executes an agreement in writing with the licensee whereby the transferee assumes the obligations of the existing borrower under the loan instruments. Any such agreement shall not affect the priority, validity or enforceability of any loan instrument. A licensee may charge a fee not in excess of one-tenth of one percent of the remaining unpaid principal balance in the event the loan is assumed by the transferee and the existing borrower continues after the transfer to be obligated for repayment of the entire assumed indebtedness. A licensee may charge a fee not in excess of one percent of the remaining unpaid principal balance in the event the remaining indebtedness is assumed by the transferee and the existing borrower is released from all obligations under the loan instruments, but in no event shall the fee exceed \$150.

A licensee making a loan under this chapter secured by a lien on real estate shall comply with the requirements of section 47.20, subdivision 8.

No licensee shall conduct the business of making loans under this chapter within any office, room, or place of business in which any other business is solicited or engaged in, or in association or conjunction therewith, if the commissioner finds that the character of the other business is such that it

would facilitate evasions of this chapter or of the rules and regulations lawfully made hereunder. The commissioner may promulgate rules dealing with such other businesses.

No licensee shall transact the business or make any loan provided for by this chapter under any other name or at any other place of business than that named in the license. No licensee shall take any confession of judgment or any power of attorney. No licensee shall take any note or promise to pay that does not accurately disclose the principal amount of the loan, the time for which it is made, and the agreed rate or amount of charge, nor any instrument in which blanks are left to be filled in after execution. Nothing herein is deemed to prohibit the making of loans by mail."

Page 21, after line 21, insert:

"Sec. 26. Minnesota Statutes 1983 Supplement, section 332.50, subdivision 2, is amended to read:

Subd. 2. [ACTS CONSTITUTING.] Whoever issues any check that is dishonored and is not paid within 30 days after mailing a notice of dishonor and a copy of sections 332.50 and 609.535 in compliance with subdivision 3, is liable to the holder for the amount of the check plus a civil penalty of up to \$100, interest at the rate payable on judgments pursuant to section 549.09 on the face amount of the check from the date of dishonor, *and* reasonable attorney fees if the amount of the check is over \$1,250; ~~and~~.

A service charge not exceeding \$15 *may be imposed immediately on any dishonored check, regardless of mailing a notice of dishonor*, if written notice of the service charge was conspicuously displayed on the premises when the check was issued.

This subdivision prevails over any provision of law limiting, prohibiting, or otherwise regulating service charges authorized by this subdivision."

Page 21, line 26, delete "21" and insert "26"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 24, after the first semicolon, insert "extending the temporary removal of mortgage usury limits; clarifying service charges on dishonored checks;"

Page 1, line 26, after "1;" insert "47.204, subdivision 1;"

Page 1, line 28, after "48.51;" insert "51A.50;"

Page 1, line 29, after "1;" insert "56.12;"

Page 1, line 32, delete "and" and insert "53.04, subdivision 3a;" and after "168.67;" insert "and 332.50, subdivision 2;"

The motion prevailed. So the amendment was adopted.

S.F. No. 1758 was then progressed.

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

INTRODUCTION AND FIRST READING OF SENATE BILLS

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

indicated.

Messrs. Wegscheid, Kamrath, Isackson, Stumpf and Mrs. Adkins introduced—

S.F. No. 2149: A bill for an act relating to local government; providing procedures for making certain contracts; amending Minnesota Statutes 1983 Supplement, section 471.345, subdivision 5.

Referred to the Committee on Local and Urban Government.

Mrs. Kronebusch introduced—

S.F. No. 2150: A bill for an act relating to mental health; authorizing local agencies to contract with public or private agencies in states bordering Minnesota for the purpose of providing mental health services; proposing new law coded in Minnesota Statutes, chapter 245.

Referred to the Committee on Health and Human Services.

Mr. Vega introduced—

S.F. No. 2151: A bill for an act relating to energy; creating a public corporation to develop and market Minnesota's peatland for energy production; appropriating money; amending Minnesota Statutes 1982, sections 92.461, subdivision 1; and by adding a subdivision; and 92.50, subdivision 1; Minnesota Statutes 1983 Supplement, section 10A.01, subdivision 18; proposing new law coded in Minnesota Statutes, chapter 93.

Referred to the Committee on Energy and Housing.

Messrs. Laidig, Anderson, Isackson, Kamrath and Johnson, D.E. introduced—

S.F. No. 2152: A bill for an act relating to corrections; requiring inmates to satisfactorily participate in rehabilitative programs as a condition of accruing good time reduction in their sentences; requiring the sentencing guidelines commission to amend the dispositional line on the sentencing guidelines grid; authorizing bonds to be issued for increasing the cell capacity of correctional facilities; appropriating money; amending Minnesota Statutes 1982, sections 244.02; and 244.04, by adding a subdivision; Minnesota Statutes 1983 Supplement, section 244.04, subdivision 1; proposing new law coded in Minnesota Statutes, chapter 244.

Referred to the Committee on Health and Human Services.

Messrs. Chmielewski, Diessner and Frank introduced—

S.F. No. 2153: A bill for an act relating to commerce; removing preference for Minnesota made materials in state purchasing; clarifying definition of public contract for resident preference; amending Minnesota Statutes 1982, section 16.365; Minnesota Statutes 1983 Supplement, section 16.0721; repealing Minnesota Statutes 1982, section 16.073; Minnesota Statutes 1983 Supplement, section 16.072; and Laws 1983, chapter 336, section 3.

Referred to the Committee on Economic Development and Commerce.

Mr. Pogemiller introduced—

S.F. No. 2154: A bill for an act relating to job training; authorizing demonstration grants for training and habilitation services for persons with certain disabilities; appropriating money.

Referred to the Committee on Employment.

Mr. Vega and Ms. Peterson, D.C. introduced—

S.F. No. 2155: A bill for an act relating to housing; tax exempt financing; changing the formula and competitive system for the allocation of qualified mortgage bonds; amending Minnesota Statutes 1982, section 462C.09, subdivision 2.

Referred to the Committee on Energy and Housing.

Ms. Peterson, D.C. introduced—

S.F. No. 2156: A bill for an act relating to economic development; augmenting the Small Business Procurement Act; amending Minnesota Statutes 1982, sections 16.06, subdivision 1; 16.081; 16.083, subdivision 2; and 16.086, subdivision 2; Minnesota Statutes 1983 Supplement, sections 16.083, subdivisions 1, 1a, 3, 4, 4a, 5, and 6; 16.084; 16.085; 16.086, subdivision 1; and 16.28; repealing Minnesota Statutes 1983 Supplement, section 16.083, subdivision 4b.

Referred to the Committee on Governmental Operations.

Messrs. Dicklich and Johnson, D.J. introduced—

S.F. No. 2157: A bill for an act relating to local government; establishing emergency property tax relief aid; appropriating money; amending Minnesota Statutes 1983 Supplement, section 275.51, subdivision 3i; proposing new law coded in Minnesota Statutes, chapter 477A.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Peterson, C.C.; Pogemiller; Spear and Ms. Berglin introduced—

S.F. No. 2158: A bill for an act relating to employment; Minnesota Emergency Employment Development Act; clarifying a definition; providing that certain farmers may be considered unemployed; providing a waiver for use of discretionary funds; specifying use of funds; delaying the expiration date of the act; appropriating money; amending Minnesota Statutes 1983 Supplement, sections 268.672, subdivision 6; 268.676, subdivision 2; 268.677; and 268.686.

Referred to the Committee on Health and Human Services.

Mr. DeCramer introduced—

S.F. No. 2159: A bill for an act relating to public welfare; revising the requirements for procedures for determining the rates for care of residents of intermediate care facilities for the mentally retarded; amending Minnesota Statutes 1983 Supplement, section 256B.501, subdivision 3.

Referred to the Committee on Health and Human Services.

Messrs. Pehler, Frank, Novak and Pogemiller introduced—

S.F. No. 2160: A bill for an act relating to taxation; providing a reduced sales and use tax rate on capital equipment and construction materials used in expansion of certain facilities; amending Minnesota Statutes 1982, sections 297A.01, by adding a subdivision; and 297A.02, by adding a subdivision; Minnesota Statutes 1983 Supplement, section 297A.14.

Referred to the Committee on Taxes and Tax Laws.

Mrs. McQuaid, Mr. Kroening, Mmes. Lantry, Adkins and Mr. Knaak introduced—

S.F. No. 2161: A bill for an act relating to public welfare; providing for special transportation services for the blind elderly; amending Minnesota Statutes 1982, section 174.31, subdivision 3.

Referred to the Committee on Transportation.

Mr. Purfeerst introduced—

S.F. No. 2162: A bill for an act relating to retirement; salaried firefighters relief associations; providing vesting upon layoff in certain instances; proposing new law coded in Minnesota Statutes, chapter 423A.

Referred to the Committee on Governmental Operations.

Mr. Bertram introduced—

S.F. No. 2163: A bill for an act relating to taxation; sales; expanding the exemption for electricity for agricultural production; amending Minnesota Statutes 1983 Supplement, section 297A.25, subdivision 1.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Dicklich, Samuelson, Solon and Johnson, D.J. introduced—

S.F. No. 2164: A resolution memorializing Congress to enact H.R. 5081, the Fair Trade in Steel Act of 1984.

Referred to the Committee on Economic Development and Commerce.

Mr. Wegscheid, Mrs. Adkins, Messrs. Freeman and Schmitz introduced—

S.F. No. 2165: A bill for an act relating to public finance; authorizing additional investment alternatives; providing for the delivery of municipal obligations in certificated or uncertificated form; providing restrictions on the use of certain data; providing a formula for determining limitations on interest rates on municipal obligations; providing an alternative procedure for conducting a public sale of municipal obligations; amending Minnesota Statutes 1982, sections 471.56, by adding a subdivision; 475.55, subdivisions 1, 4, and by adding a subdivision; 475.60, subdivision 3, and by adding a subdivision; repealing Minnesota Statutes 1982, sections 475.71; and 475.76, subdivision 5.

Referred to the Committee on Local and Urban Government.

Messrs. Dicklich, Frank and Mrs. Lantry introduced—

S.F. No. 2166: A bill for an act relating to labor; prohibiting the use of strikebreakers by public employers; amending Minnesota Statutes 1982, section 179.01, subdivision 3.

Referred to the Committee on Employment.

Mr. Solon introduced—

S.F. No. 2167: A bill for an act relating to port authorities; fixing the amount of the property tax levy for them; amending Minnesota Statutes 1982, section 458.14.

Referred to the Committee on Taxes and Tax Laws.

Mr. Samuelson introduced—

S.F. No. 2168: A bill for an act relating to transportation; highways; modifying restrictions on loading of vehicles driven on highways; amending Minnesota Statutes 1982, section 169.81, subdivision 5.

Referred to the Committee on Transportation.

Mr. Samuelson introduced—

S.F. No. 2169: A bill for an act relating to the establishment of the Croft Mine Historical Board; authorizing a tax levy.

Referred to the Committee on Taxes and Tax Laws.

Mr. Diessner introduced—

S.F. No. 2170: A bill for an act relating to watercraft; requiring titling for certain vessels; regulating perfection of security interests in vessels; proposing new law coded in Minnesota Statutes, chapter 361.

Referred to the Committee on Agriculture and Natural Resources.

Mr. Stumpf introduced—

S.F. No. 2171: A bill for an act relating to agriculture; providing for payment of certain federal crop insurance premiums by the state; appropriating money; proposing new law coded in Minnesota Statutes, chapter 17.

Referred to the Committee on Agriculture and Natural Resources.

Mr. Moe, D.M. introduced—

S.F. No. 2172: A bill for an act relating to the legislature; requiring the establishment of an affirmative action plan for the legislature; creating a staff position of director of legislative equal employment opportunity; providing for immediate action to be taken in furtherance of equal employment opportunity; proposing new law coded in Minnesota Statutes, chapter 3.

Referred to the Committee on Rules and Administration.

Messrs. Jude, Kamrath, Petty, Luther and Johnson, D.E. introduced—

S.F. No. 2173: A bill for an act relating to notaries public; changing the term of office; increasing the required bond amount; amending Minnesota Statutes 1982, section 359.02.

Referred to the Committee on Judiciary.

Without objection, the Senate reverted to the Order of Business of Motions and Resolutions.

MOTIONS AND RESOLUTIONS

Mr. Willet moved that S.F. No. 1813, on General Orders, be stricken and re-referred to the Committee on Finance. The motion prevailed.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 11:00 a.m., Thursday, April 5, 1984. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate