

SEVENTY-SECOND DAY

St. Paul, Minnesota, Thursday, April 5, 1984

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

Prayer was offered by the Chaplain, Rev. John Chell.

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

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

The President declared a quorum present.

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

MEMBERS EXCUSED

Mr. Peterson, C.C. was excused from the Session of today. Mr. Berg was excused from the Session of today at 11:45 a.m. Mr. Hughes was excused from the Session of today from 12:00 noon to 12:40 p.m.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

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

March 1, 1983

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointment to the State University Board is hereby respectfully submitted to the Senate for confirmation as required by law:

Nicholas John Zuber, 25 S. 26th Ave. E., Duluth, St. Louis County, has

been appointed by me, effective February 19, 1983, for a term expiring the first Monday in January, 1987.

(Referred to the Committee on Education.)

April 27, 1983

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

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

James Hoese, 5520 Polk Ave., Mayer, Carver County, has been appointed by me, effective April 27, 1983, for a term expiring the first Monday in January, 1986.

Joy Fogarty, 2001 - 5th Ave. N.E., Rochester, Olmsted County, has been appointed by me, effective April 27, 1983, for a term expiring the first Monday in January, 1987.

Ruth A. Myers, 121 A N. 1st Ave. W., Duluth, St. Louis County, has been appointed by me, effective April 27, 1983, for a term expiring the first Monday in January, 1987.

(Referred to the Committee on Education.)

August 11, 1983

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointment to the State Board for Community Colleges is hereby respectfully submitted to the Senate for confirmation as required by law:

Lee Antell, 648 - 129th Ave. N.E., Blaine, Anoka County, has been appointed by me, effective August 11, 1983, for a term expiring the first Monday in January, 1984.

(Referred to the Committee on Education.)

August 11, 1983

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointment to the State Board for Community Colleges is hereby respectfully submitted to the Senate for confirmation as required by law:

James B. Collier, Jr., 1101 E. Irene, Willmar, Kandiyohi County, has been appointed by me, effective August 11, 1983, for a term expiring the first Monday in January, 1986.

(Referred to the Committee on Education.)

January 23, 1984

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointments to the Council on Quality Education are hereby respectfully submitted to the Senate for confirmation as required by law:

John Huisman, Route 1, Box 2, Frost, Faribault County, has been appointed by me, effective January 23, 1984, for a term expiring the first Monday in January, 1988.

Judith Roy, P.O. Box 53, Red Lake, Beltrami County, has been appointed by me, effective January 23, 1984, for a term expiring the first Monday in January, 1988.

(Referred to the Committee on Education.)

March 20, 1984

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointments to the State Board for Community Colleges are hereby respectfully submitted to the Senate for confirmation as required by law:

Lee Antell, 648 - 129th Ave. N.E., Blaine, Anoka County, has been appointed by me, effective January 3, 1984, for a term expiring the first Monday in January, 1988.

Richard M. Niemiec, 4239 Harriet Ave. S., Minneapolis, Hennepin County, has been appointed by me, effective January 16, 1984, for a term expiring the first Monday in January, 1988.

(Referred to the Committee on Education.)

March 26, 1984

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

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

L.E. Danford, 4401 Browndale, Edina, Hennepin County, has been appointed by me, effective January 20, 1984, for a term expiring the first Monday in January, 1988.

Nellie Stone Johnson, 1239 Sheridan N., Minneapolis, Hennepin County, has been appointed by me, effective January 20, 1984, for a term expiring the first Monday in January, 1988.

(Referred to the Committee on Education.)

Sincerely,

Rudy Perpich, Governor

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, herewith returned:

S.F. No. 1476: A bill for an act relating to elections; making the requirements for school election absentee ballots the same as those for the general election; amending Minnesota Statutes 1982, section 123.32, subdivision 24.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 2, 1984

Mr. President:

I have the honor to announce the passage by the House of the following Senate Files, herewith returned:

S.F. No. 1453: A bill for an act relating to public welfare; making county of residence financially responsible for detoxification services provided to chemical dependency facility clients; amending Minnesota Statutes 1983 Supplement, section 256E.08, subdivision 7.

S.F. No. 1475: A bill for an act relating to communications; permitting a municipality to be represented by its designee on a joint cable communication commission; amending Minnesota Statutes 1982, section 238.08, subdivision 5.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 4, 1984

Mr. President:

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

S.F. No. 311: A bill for an act relating to public welfare; requiring licensure for adult day care facilities; amending Minnesota Statutes 1982, sections 245.782, subdivisions 2, 5, and by adding a subdivision; 245.783, by adding a subdivision; 245.791; 245.802, by adding a subdivision.

Senate File No. 311 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 2, 1984

Ms. Berglin moved that the Senate do not concur in the amendments by the House to S.F. No. 311, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to inform the Senate that the House of Representatives invites and is ready to meet with the Senate at 12:50 p.m., Thursday, April 5,

1984, to receive an address on the "State of the Judiciary" by the Honorable Douglas K. Amdahl, Chief Justice of the Supreme Court of the State of Minnesota. The address by Chief Justice Amdahl will be delivered at 1:00 p.m.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 4, 1984

Mr. Moe, R.D. moved that the Senate accede to the request of the House of Representatives to meet in the House Chamber at 1:00 p.m., Thursday, April 5, 1984, to receive the address on the "State of the Judiciary" by the Honorable Douglas K. Amdahl, Chief Justice of the Supreme Court of the State of Minnesota. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 1516:

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.

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

Otis, Scheid and Evans have been appointed as such committee on the part of the House.

House File No. 1516 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 4, 1984

Mr. Pogemiller moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 1516, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 585, 1325, 1404, 1418, 950, 1347, 1459, 1503, 2180, 1670, 1706, 1774, 1912, 1915, 1918, 1936 and 1998.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 2, 1984

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 735, 1528, 1338, 1371, 1672, 1813, 1819, 1860, 1917, 1961, 1975, 1985, 2038, 2087, 2141, 2150 and

2196.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 4, 1984

FIRST READING OF HOUSE BILLS

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

H.F. No. 585: A bill for an act relating to commerce; art; regulating the sale of fine prints; providing sales and advertising disclosures; prescribing penalties; defining terms; proposing new law coded as Minnesota Statutes, chapter 324.

Referred to the Committee on Economic Development and Commerce.

H.F. No. 1325: A bill for an act relating to county law libraries; permitting the appointment of a nonlawyer to the library board; amending Minnesota Statutes 1982, section 140.36, subdivision 1.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1320.

H.F. No. 1404: A bill for an act relating to drainage; providing for correction of certain errors in county or judicial ditch benefits; amending Minnesota Statutes 1982, section 106.465.

Referred to the Committee on Agriculture and Natural Resources.

H.F. No. 1418: A bill for an act relating to the town of Blue Hill; allowing the town to exercise certain powers.

Referred to the Committee on Local and Urban Government.

H.F. No. 950: A bill for an act relating to state government; governing compensation of members of boards, councils, and committees who are public employees; providing for per diem compensation for attendance of commissioners of the Northwest Minnesota Multi-County Housing and Re-development Authority at meetings; amending Minnesota Statutes 1982, sections 15.059, subdivision 3; and 214.09, subdivision 3; proposing new law coded in Minnesota Statutes, chapter 121.

Referred to the Committee on Governmental Operations.

H.F. No. 1347: A bill for an act relating to crimes; prohibiting the concealing, obtaining, or retaining of a child in violation of the parental, custodial, or visitation rights of another; imposing penalties; providing for notification in custody or visitation orders of the child abduction laws; requiring violations of the child abduction law to be reported under the child abuse reporting law; amending Minnesota Statutes 1982, section 609.26; proposing new law coded in Minnesota Statutes, chapter 518.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1318.

H.F. No. 1459: A bill for an act relating to taxation; providing for the imposition of an aggregate material tax in Sibley County; amending Minne-

sota Statutes 1983 Supplement, section 298.75, subdivision 1.

Referred to the Committee on Taxes and Tax Laws.

H.F. No. 1503: A bill for an act relating to local government; providing for the duties and bonds of city clerks; amending Minnesota Statutes 1982, sections 412.151; and 418.25, subdivision 1.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1438, now on General Orders.

H.F. No. 2180: A resolution memorializing the President and Secretary of Transportation of the United States, the National Transportation Safety Board, and the Minnesota Congressional delegation to implement a program for the reflectorization of railroad rolling stock.

Referred to the Committee on Transportation.

H.F. No. 1670: A bill for an act relating to transportation; expanding scope of state commuter van transportation program; amending Minnesota Statutes 1982, section 16.756, subdivisions 1, 1a, and 2.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1733, now on General Orders.

H.F. No. 1706: A bill for an act relating to St. Louis Park; providing authority to the housing and redevelopment authority to review and approve development in redevelopment areas.

Referred to the Committee on Energy and Housing.

H.F. No. 1774: A bill for an act relating to transportation; providing for distribution of town road funds; amending Minnesota Statutes 1983 Supplement, section 162.081, subdivision 4.

Referred to the Committee on Transportation.

H.F. No. 1912: A bill for an act relating to the state agricultural society; changing the authority to make certain contracts; amending Minnesota Statutes 1983 Supplement, section 37.19.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1729, now on General Orders.

H.F. No. 1915: A bill for an act relating to commerce; providing for the licensing of transient merchants by local units of governments; amending Minnesota Statutes 1982, sections 329.15; and 329.16.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1877.

H.F. No. 1918: A bill for an act relating to elections; restricting the eligibility for appointment as election judge; amending Minnesota Statutes 1983 Supplement, section 204B.19, subdivision 2.

Referred to the Committee on Elections and Ethics.

H.F. No. 1936: A bill for an act relating to elections; changing the time for filing for school district offices; amending Minnesota Statutes 1982, section 123.32, subdivision 4.

Referred to the Committee on Rules and Administration for comparison

with S.F. No. 1796.

H.F. No. 1998: 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.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1872, now on General Orders.

H.F. No. 735: A bill for an act relating to insurance; providing for certain unfair or deceptive acts or practices; prescribing penalties; amending Minnesota Statutes 1982, section 72A.20, by adding a subdivision; proposing new law coded in Minnesota Statutes, chapter 72A.

Referred to the Committee on Economic Development and Commerce.

H.F. No. 1528: A bill for an act relating to taxation; updating references to the internal revenue code; simplifying certain income tax and property tax refund provisions; increasing the interest rate on refunds; making technical corrections and administrative changes to income tax, inheritance tax, and property tax refund provisions; amending Minnesota Statutes 1982, sections 10A.31, subdivision 1; 62E.11, subdivision 8; 270A.07, subdivision 5; 271.12; 271.19; 290.01, subdivision 20e; 290.05, subdivision 4; 290.06, subdivisions 3e, and 3f; 290.095, subdivision 11; 290.17, subdivision 1a; 290.23, subdivision 3; 290.311, subdivision 1; 290.41, subdivision 2, and by adding a subdivision; 290.56, subdivisions 4 and 5; 290.61; 290.92, subdivision 11; 290.931, subdivision 1; 290.936; and 290A.07, subdivision 2a; 291.18; 294.09, subdivision 1; 298.09, subdivision 4; 299.05; and 600.21; Minnesota Statutes 1983 Supplement, sections 290.01, subdivisions 20, 20a, 20b, and 20f; 290.032, subdivision 2; 290.06, subdivisions 2c, 3d, 11, 13, and 14; 290.067, subdivisions 1 and 2; 290.077, subdivision 4; 290.089, subdivisions 2 and 3; 290.09, subdivisions 5 and 29; 290.091; 290.10; 290.17, subdivisions 1 and 2; 290.174; 290.175; 290.18, subdivision 1; 290.21, subdivision 3; 290.37, subdivision 1; 290.431; 290.45, subdivision 1; 290.46; 290.50, subdivision 1; 290.92, subdivisions 13 and 26; 290.93, subdivisions 9 and 10; 290.9726, subdivision 5; 290A.03, subdivisions 3, 6, 11, 12, and 14; 290A.04, subdivisions 1 and 2; 290A.07, subdivision 3; and 296.18, subdivision 1; 297A.35, subdivision 1; and Laws 1980, chapter 439, section 36; proposing new law coded in Minnesota Statutes, chapter 270; repealing Minnesota Statutes 1982, sections 290.011; 290.311, subdivision 2; Minnesota Statutes 1983 Supplement, section 290A.16; and Laws 1983, chapter 207, section 6.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1516, now on General Orders.

H.F. No. 1338: A bill for an act relating to elections; clarifying certain provisions relating to voting machines; amending Minnesota Statutes 1982, section 123.32, subdivision 7; and Minnesota Statutes 1983 Supplement, section 204C.24, subdivision 1; proposing new law coded in Minnesota Statutes, chapter 206; repealing Minnesota Statutes 1982, sections 206.01 to 206.23; and Minnesota Statutes 1983 Supplement, sections 206.08, subdivision 3; 206.09; 206.11; 206.19, subdivision 1; and 206.21, subdivision 3.

Referred to the Committee on Rules and Administration for comparison

with S.F. No. 1809, now on General Orders.

H.F. No. 1371: A bill for an act relating to state government; providing for a day care center for state employees in the capitol complex; amending Minnesota Statutes 1982, section 16.02, by adding a subdivision.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1325.

H.F. No. 1672: A bill for an act relating to retirement; authorizing benefit increases for retired Eveleth police officers, firefighters, and surviving spouses.

Referred to the Committee on Governmental Operations.

H.F. No. 1813: A bill for an act relating to hospital districts; providing for loans to students in health-related educational programs; amending Minnesota Statutes 1982, section 447.331.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1793, now on General Orders.

H.F. No. 1819: A bill for an act relating to health; requiring that hearing aid sellers give buyers a right to cancel their purchase; amending Minnesota Statutes 1982, section 145.43, by adding a subdivision; repealing Minnesota Statutes 1982, sections 145.43, subdivision 2; and 145.44.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2002.

H.F. No. 1860: A bill for an act relating to horse racing; providing for the distribution of proceeds from the Minnesota Breeders Fund; amending Minnesota Statutes 1983 Supplement, section 240.18.

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

H.F. No. 1917: A bill for an act relating to elections; limiting membership on a county canvassing board; amending Minnesota Statutes 1982, section 204C.31, subdivision 1.

Referred to the Committee on Elections and Ethics.

H.F. No. 1961: A bill for an act relating to state departments and agencies; changing the composition and powers of the board of private detective and protective agent services; changing requirements for obtaining a license; amending Minnesota Statutes 1982, sections 326.33; 326.331; 326.332, subdivision 1; and 326.333; repealing Minnesota Statutes 1982, section 299C.01, subdivision 3.

Referred to the Committee on Governmental Operations.

H.F. No. 1975: A bill for an act relating to transportation; allowing entire portions of former trunk highways to revert to counties under certain circumstances; discontinuing a trunk highway route; amending Minnesota Statutes 1982, section 161.16, subdivision 4.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1912.

H.F. No. 1985: A bill for an act relating to occupations and professions;

regulating the licensing of salons for estheticians; amending Minnesota Statutes 1982, section 155A.08, subdivision 2.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1866.

H.F. No. 2038: 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.

H.F. No. 2087: A bill for an act relating to health; requiring disclosure of certain medical data or medical information for the purpose of a lawful investigation; amending Minnesota Statutes 1982, sections 13.42, subdivision 2; 144.335; and 254A.09.

Referred to the Committee on Judiciary.

H.F. No. 2141: 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.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1805, now on General Orders.

H.F. No. 2150: A bill for an act relating to newspapers; making certain publications legal newspapers; proposing new law coded in Minnesota Statutes, chapter 331.

Referred to the Committee on Judiciary.

H.F. No. 2196: A bill for an act relating to local government; providing for the conveyance of certain tax forfeited land in Morrison County.

Referred to the Committee on Agriculture and Natural Resources.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted, with the exception of the reports on S.F. Nos. 1417, 1978, 2017, 1683 and reports pertaining to appointments. The motion prevailed.

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

S.F. No. 1995: A bill for an act relating to municipal housing; letting of contracts; increasing the amount of expenditures for construction and other work that requires an award by contract; amending Minnesota Statutes 1982, section 462.461, subdivisions 1, 2, and 3.

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

Page 2, line 31, delete "574.21" and insert "574.26"

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

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

referred

S.F. No. 1457: A bill for an act relating to agriculture; authorizing the energy and economic development authority to purchase, make, or participate in farm loans and to issue bonds or notes for this purpose; amending Minnesota Statutes 1982, sections 116J.88, subdivision 7a; 116J.90, by adding subdivisions; Minnesota Statutes 1983 Supplement, sections 116J.88, subdivision 7; and 116J.90, subdivisions 1 and 3.

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

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1983 Supplement, section 116J.88, subdivision 7, is amended to read:

Subd. 7. [BUSINESS LOAN.] “Business loan” means a loan, other than a pollution control loan, *or farm loan* to the owner of an eligible small business for the financing of (a) capital expenditures, on an interim or long-term basis, for the acquisition or improvement of land, acquisition, construction, removal, or improvement of buildings, or acquisition and installation of fixtures and equipment useful for the conduct of the business; or (b) short-term costs of conducting an eligible small business.

Sec. 2. Minnesota Statutes 1983 Supplement, section 116J.88, subdivision 7a, is amended to read:

Subd. 7a. [FARM LOAN.] “Farm loan” means a loan to a farm business for the acquisition, installation, improvement, construction, *rehabilitation*, or removal of buildings, or acquisition and installation of fixtures or equipment, useful for the conduct of a farm business, *or for the acquisition of livestock for breeding purposes*.

Sec. 3. Minnesota Statutes 1982, section 116J.88, is amended by adding a subdivision to read:

Subd. 7b. [FARM BUSINESS.] “Farm business” means a person, partnership, corporation, *or other entity that is engaged or will engage in farming, livestock or agricultural production or processing, or storage of agricultural products, which qualifies as an eligible small business*.

Sec. 4. Minnesota Statutes 1983 Supplement, section 116J.90, subdivision 3, is amended to read:

Subd. 3. [DIRECT BUSINESS AND FARM LOANS; LIMITATIONS.] The authority may make business loans ~~or farm loans~~ not exceeding \$100,000 in principal amount, at interest rates and subject to terms determined by the authority, provided that each loan shall be made only from the proceeds of a bond or note payable in whole or part from the repayments of principal and interest on the loan. The loans may also be guaranteed or insured by money on deposit in the economic development fund or any special account of it, and may be secured by reserve funds and other collateral and available money as determined by the authority. The authority may enter into all necessary contracts and security instruments in connection with them. The limitation on loan amounts in this subdivision does not apply to energy loans and loans insured under sections 93 and 94.

Sec. 5. Minnesota Statutes 1982, section 116J.90, is amended by adding a subdivision to read:

Subd. 3a. [FARM LOANS; PUBLIC PURPOSE.] The encouragement of the investment of private capital in the agricultural sector through the use of financing to provide farm loans at interest rates lower than those available in conventional farm credit markets is a public purpose and is necessary to protect the health, safety, and general welfare of the people of this state.

Sec. 6. Minnesota Statutes 1982, section 116J.90, is amended by adding a subdivision to read:

Subd. 3b. [FARM LOANS; AUTHORITY.] The authority may make or purchase or participate with financial institutions in making or purchasing farm loans not exceeding \$100,000 in principal amount, upon the conditions described in this section, and may enter into commitments for farm loans, on the terms and conditions and with the security determined by the authority. The loans may be made or purchased only from the proceeds of bonds or notes issued pursuant to subdivision 3c. For this purpose, the authority may exercise all powers conferred on it by sections 116J.88 to 116J.91 with respect to business loans. Loans and loan commitments must be originated and serviced by one or more financial institutions authorized to transact that business in this state. The authority shall make or participate in farm loans only when the authority determines that financing is not otherwise available, in whole or in part, from private lenders on equivalent terms and conditions.

Sec. 7. Minnesota Statutes 1982, section 116J.90, is amended by adding a subdivision to read:

Subd. 3c. [FARM LOANS; BONDS AND NOTES.] The authority may issue its bonds or notes to provide money for the purposes specified in subdivision 3b, which are payable in whole or in part from repayments of principal and interest on farm loans. For this purpose, the authority may exercise all powers conferred upon it by sections 116J.88 to 116J.91 with respect to bonds or notes to be issued to provide money for business loans. The principal amount of bonds and notes issued and outstanding under this subdivision at any time, computed as specified in section 116J.91, subdivision 11, may not exceed \$30,000,000. This authorization is in addition to the authorization contained in section 116J.91, subdivision 11. Sections 116J.88 to 116J.91 are applicable to bonds and notes covered by this subdivision and the application of the proceeds from the bonds and notes.

Sec. 8. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

Amend the title as follows:

Page 1, line 6, after "116J.88," insert "by adding a" and delete "7a"

Page 1, line 8, delete "subdivision 7" and insert "subdivisions 7 and 7a"

Page 1, line 9, delete "subdivisions 1 and" and insert "subdivision"

And when so amended the bill be re-referred to the Committee on Finance without recommendation. Amendments adopted. Report adopted.

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

ferred

S.F. No. 1683: A bill for an act relating to housing; prohibiting certain rent control ordinances in cities, counties, and towns; proposing new law coded in Minnesota Statutes, chapter 471.

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

Page 1, line 8, delete "*The Legislature finds and*"

Page 1, delete lines 9 and 10

Page 1, line 11, delete "*Therefore,*"

Delete page 1, line 23 to page 2, line 10 and insert:

"Subd. 2. [EXCEPTION.] Subdivision 1 does not preclude a statutory or home rule charter city, county, or town from controlling rents on private residential property to the extent that the city, county, or town has the power to adopt an ordinance, charter amendment, or law to control these rents if the ordinance, charter amendment, or law that controls rents is approved in a general election. Subdivision 1 does not limit any power or authority of the voters of a statutory or home rule charter city, county, or town to petition for an ordinance or charter amendment to control rents on private residential property to the extent that the power or authority is otherwise provided for by law, and if the ordinance or charter amendment is approved in a general election. This subdivision does not grant any additional power or authority to the citizens of a statutory or home rule charter city, county, or town to vote on any question beyond that contained in other law.

Subdivision 1 does not apply to any statutory city unless the citizens of the statutory city have the authority to vote on the issue of rent control granted by other law."

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

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

S.F. No. 1877: A bill for an act relating to commerce; providing for the licensing of transient merchants by local units of governments; amending Minnesota Statutes 1982, sections 329.14; 329.15; and 330.10, subdivision 2; repealing Minnesota Statutes 1982, sections 329.10; 329.11; 329.12; 329.13; 329.16; and 329.17, 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 329.15, is amended to read:

329.15 [MUNICIPALITIES MAY REGULATE.]

Nothing in sections 329.10 to 329.17 contained shall be construed as prohibiting, or in any way limiting or interfering with, the right of any statutory

or home rule charter city, or other municipal corporation or governmental subdivision of the state, town to regulate or license the carrying on within such municipality the city or town the business of a transient merchant in any case where authority has been, or shall hereafter be, conferred upon it so to do, but. The requirements of sections 329.10 to 329.17 shall be in addition thereto to any regulation by the city or town except that if the city or town enacts a licensing requirement a transient merchant shall not be required to obtain a license under section 329.11.

Sec. 2. Minnesota Statutes 1982, section 329.16, is amended to read:

329.16 [DISPOSAL OF FEES.]

All license fees collected under ~~sections 329.10 to 329.17~~ section 329.11 shall be paid into the general revenue fund of the county.

Sec. 3. [EFFECTIVE DATE.]

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

Amend the title as follows:

Page 1, line 4, delete "329.14;"

Page 1, line 5, delete everything after "and"

Page 1, delete lines 6 and 7 and insert "329.16."

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. 1898: A bill for an act relating to the iron range resources and rehabilitation board; allowing school districts to levy taxes to repay loans made by the northeast Minnesota economic protection trust; clarifying that the board may lease personal property; removing certain dates; providing that earnings from the investment of funds in the iron range resources and rehabilitation board account are credited to the account; clarifying the limitation on administrative costs; transferring certain unexpended funds to the northeast Minnesota economic protection trust; amending Minnesota Statutes 1982, sections 298.22, subdivision 5; 298.223; Minnesota Statutes 1983 Supplement, sections 275.125, subdivisions 11a, 11b, and 12a; 298.28, subdivision 1; 298.296, subdivision 2; Laws 1982, Second Special Session chapter 2, sections 12, as amended; and 14, as amended.

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

S.F. No. 1780: A bill for an act relating to the town of Cannon Falls; authorizing the establishment of detached banking facilities.

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. 1531: A bill for an act relating to the medical assistance program; increasing the personal needs allowance; amending Minnesota Statutes 1982, section 256B.35, subdivision 1.

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

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

S.F. No. 2030: A bill for an act relating to public safety; prohibiting the state fire marshal from adopting or enforcing certain rules relating to family or group family day care homes; amending Minnesota Statutes 1982, section 299F.011, by adding a subdivision.

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

Page 1, line 12, delete "(a)"

Page 2, delete lines 2 to 5

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. 1916: A bill for an act relating to public welfare; establishing payments for respite care of mentally retarded, epileptic, or emotionally handicapped children; establishing a statewide fee schedule for parental cost of care; amending Minnesota Statutes 1982, sections 246.511; 252.27, subdivisions 1 and 2; and Minnesota Statutes 1983 Supplement, section 256B.14, subdivision 2.

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

Page 1, line 26, strike "is mentally"

Page 1, line 27, strike "retarded, epileptic or emotionally handicapped" and insert "has mental retardation, epilepsy, or a physical or emotional handicap"

Page 2, line 23, before "In" insert "Parents who have more than one child in out of home care shall not be required to pay more than the amount for one child in out of home care."

Page 2, delete line 24

Page 2, line 25, delete "adjusted gross" and after "as" delete "shown on their" and insert "defined in section 290A.03, subdivision 3"

Page 2, line 26, delete "most recent federal income tax return, whichever is less"

Page 2, line 33, after the period, insert "It is the responsibility of the

county to collect the fee directly from the parent and child."

Page 3, line 26, delete *"with mental"* and insert *"whose eligibility for medical assistance was determined without deeming of the parents' resources and income"*

Page 3, delete line 27

Page 3, line 28, delete *"care"*

Page 3, line 28, delete *"section"* and insert *"a federal medical assistance waiver"*

Page 3, line 29, delete *"256B.50"*

Amend the title as follows:

Page 1, line 3, after *"of"* insert *"children who are"*

Page 1, line 3, delete *"epileptic, or"* and insert *"have epilepsy, or are"*

Page 1, line 4, delete *"children"*

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. 2065: A bill for an act relating to health; changing certain hospital cost reporting requirements; adding reporting requirements for outpatient surgical centers; deleting hospital rate review requirements; adding provisions for fines; deleting obsolete language; amending Minnesota Statutes 1982, sections 144.695; 144.696; 144.698; 144.699; 144.701; 144.702; and 144.703; repealing Minnesota Statutes 1982, sections 144.7021; 144.704; and 144.705.

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

Page 7, line 29, delete *"October 1"* and insert *"January 15"*

Page 7, line 29, after *"shall"* insert *" , in consultation with the state planning agency, study and"*

Page 8, line 1, delete *"a mechanism"* and insert *"mechanisms"* and after *"prospectively"* insert *"control increases in"*

Page 8, line 2, delete *"limit"*

Page 9, line 3, delete everything after *"acquisition"*

Page 9, line 4, delete *"diagnostic or therapeutic equipment,"*

Page 9, line 5, delete the colon

Page 9, delete lines 6 to 8

Page 9, line 9, delete *"(b)"*

Page 9, line 10, after the semicolon, insert *"and"*

Page 9, line 11, delete the semicolon and insert a period

Page 9, delete lines 12 to 24 and insert:

"The provisions of this section do not apply to a hospital, clinic, or other health care facility that is a national referral center engaged in substantial programs of patient care, medical research, and medical education meeting state and national needs that receives more than 40 percent of its patients from outside the state of Minnesota."

Subd. 2. [EMERGENCY WAIVER.] The commissioner will grant an emergency waiver from the provisions of this section if the need for the project is a result of fire, tornado, flood, storm damage or other similar disaster, if adequate health care facilities are not available for the people who previously used the applicant facility and if the request for an emergency waiver is limited in nature and scope only to those repairs necessitated by the natural disasters."

Amend the title as follows:

Page 1, line 6, after the semicolon, insert "imposing a moratorium on hospital bed expansion;"

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. 1980: A bill for an act relating to corrections; providing for costs of transporting convicted persons and children adjudicated delinquent to correctional facilities; amending Minnesota Statutes 1983 Supplement, section 243.17, subdivision 1.

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

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

S.F. No. 1417: A bill for an act relating to health; health maintenance organizations; providing continued coverage upon replacement of an insurance carrier; including health maintenance organization contracts in certain statutorily mandated coverages; providing for the disclosure and reporting by the organization of detailed financial, administrative and ownership information; providing for reporting of changes in provider agreements; granting the commissioner authority to adopt rules regarding the content of provider and other agreements; requiring certain deposits against insolvency; authorizing organizations to enter into certain health services contracts; requiring certain consumer rights information in evidences of coverage and annual information statements; providing for reimbursement of, and direct payments to, enrollees; providing for examination by the commissioner of health; specifying the examination powers of the commissioner; granting the commissioner authority to adopt rules regarding unreasonable expenses; classifying certain data used for review purposes; prescribing penalties; amending Minnesota Statutes 1982, sections 60A.082; 62A.041; 62A.042; 62A.044; 62A.081; 62A.14; 62A.147; 62A.149; 62D.02, subdivisions 5, 6, and 8, and

by adding subdivisions; 62D.04; 62D.05, subdivision 3; 62D.07, subdivisions 1 and 3; 62D.08, subdivisions 1, 3, and by adding subdivisions; 62D.09; 62D.10, subdivision 3, and by adding a subdivision; 62D.101, subdivisions 2 and 2a; 62D.12, subdivisions 2, 4, 9, 10, 11, and by adding a subdivision; 62D.14; 62D.15, subdivision 1; 62D.17, subdivisions 1 and 4; 62D.19; 62D.20; 62D.22, subdivision 5, and by adding a subdivision; amending Minnesota Statutes 1983 Supplement, sections 62A.152; 62A.17, subdivisions 1 and 6; 62D.03, subdivision 4; proposing new law coded in Minnesota Statutes, chapter 62D; repealing Minnesota Statutes 1982, sections 62D.10, subdivision 2; 62D.12, subdivision 7; 62D.22, subdivision 9; 62D.27; and 62E.17.

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

Page 2, line 9, after "*replacing*" insert "*or remaining in place after*"

Page 2, line 10, after "*plans*" insert "*have been discontinued*"

Page 2, line 11, before "*plan*" insert "*discontinued*" and after "*plan*" insert "*or plans*"

Page 2, line 11, after "*which*" delete "*the*" and insert "*other persons in the group covered by that carrier are entitled*"

Page 2, line 12, delete "*person was entitled under the plan*"

Page 4, line 15, after "*for*" insert "*covered and authorized*"

Pages 4 and 5, delete section 5

Pages 7 to 10, delete sections 8 to 10

Page 10, line 36, delete "*covered*" and insert "*former*"

Page 11, line 3, before "*employee's*" insert "*former*"

Page 11, line 6, before "*Enrollees*" insert "*Effective January 1, 1985,*"

Page 11, line 8, delete "*shall*" and insert "*may*"

Page 11, line 8, after "*option*" insert "*, to be arranged by the health maintenance organization,*"

Page 11, line 9, delete "*and*" and insert "*or*"

Page 11, line 10, after "*3*" insert "*, if an arrangement with an insurer can be made by the health maintenance organization*"

Page 11, delete sections 12 and 13

Page 12, line 7, after the second comma, insert "*length of enrollment in the plan,*"

Page 12, delete sections 15 and 16 and insert:

"Sec. 9. Minnesota Statutes 1982, section 62D.02, is amended by adding a subdivision to read:

Subd. 12. "Participating entity" means any person, provider, company or other organization with which the health maintenance organization has contracts or other arrangements, including any of the following:

(1) a health care facility licensed under sections 144.50 to 144.56, a nursing home licensed under sections 144A.02 to 144A.11, and any other health care facility otherwise licensed under the laws of this state or registered with the commissioner of health;

(2) a health care professional licensed under health related licensing boards, as defined in section 214.01, subdivision 2, and any other health care professional otherwise licensed under the laws of this state or registered with the commissioner of health;

(3) a group, professional corporation or other organization which provides the services of individuals identified in clause (2), including but not limited to a medical clinic, a medical group, a home health care agency, an urgent care center, and an emergent care center;

(4) any person or organization providing administrative, financial or management services to the health maintenance organization if the total payment for all services exceeds three percent of the gross revenues of the health maintenance organization.

"Participating entity" does not include (a) employees of the health maintenance organization, or (b) another health maintenance organization with which a health maintenance organization has made contractual arrangements.

Sec. 10. Minnesota Statutes 1982, section 62D.02, is amended by adding a subdivision to read:

Subd. 13. "Major participating entity" shall include the following:

(1) a participating entity that receives from the health maintenance organization as compensation for services a sum greater than 30 percent of the health maintenance organization's gross revenues;

(2) a participating entity providing administrative, financial or management services to the health maintenance organization, if the total payment for all services exceeds three percent of the gross revenue of the health maintenance organization;

(3) a participating entity that nominates or appoints 30 percent or more of the board of directors of the health maintenance organization.

Sec. 11. Minnesota Statutes 1982, section 62D.02, is amended by adding a subdivision to read:

Subd. 14. "Separate health services contracts" means prepaid dental services contracts and other similar types of prepaid health services agreements in which services are provided by participating entities or employees of the health maintenance organization, but does not include contracts subject to chapter 62A or 62C."

Page 14, line 8, delete "utilized in"

Page 14, line 10, delete everything after the period

Page 14, line 11, delete "are" and insert "shall be"

Page 14, line 12, delete "including, but not limited to, rules" and insert "in regard to the services to be performed under the contract"

Page 14, line 13, delete "governing the length of contracts" and after "which" insert "payment for services"

Page 14, line 14, delete "consideration"

Page 14, after line 17, insert:

"(g) a copy of each contract binding major participating entities and the health maintenance organization. Contract information filed with the commissioner shall be confidential and subject to the provisions of section 13.37, subdivision 1, clause (b), upon the request of the health maintenance organization.

Upon initial filing and thereafter on or before the anniversary of the implementation of each contract, the health maintenance organization shall file a separate document detailing the projected annual expenses to the major participating entity in performing the contract and the projected annual revenues received by the entity from the health maintenance organization for such performance. The commissioner shall disapprove any contract with a major participating entity if the contract will result in an unreasonable expense under section 62D.19. The commissioner shall notify a major participating entity within 30 days if a contract may be disapproved.

Within 120 days of the anniversary of the implementation of each contract, the health maintenance organization shall file a document detailing the actual expenses incurred by the major participating entity in performing the contract in the proceeding year and the actual revenues received from the health maintenance organization by the entity in payment for the performance. The contract shall be submitted for a reasonableness determination under section 62D.19.

Contracts implemented prior to the effective date of this subdivision shall be filed within 90 days of such effective date. Commencing with the next anniversary of the implementation of each of these contracts immediately following filing, the health maintenance organization shall, as otherwise required by this subdivision, file annual projected and actual expenses and revenues which will be subject to review in the manner prescribed by this subdivision."

Page 14, line 20, after "separate" insert "health"

Page 15, after line 16, insert:

"(q) a copy of any agreement between the health maintenance organization and an insurer or nonprofit health service corporation regarding reinsurance, stop-loss coverage or any other type of coverage for potential costs of health services, as authorized in section 62D.04, subdivision 1, clause (f), and section 62D.13; and"

Reletter the clauses in sequence

Page 16, line 20, delete "19" and insert "14"

Page 18, line 13, after the period, insert "If a health maintenance organization does not have the required reserves or its reserves are not properly computed, operations shall be adjusted to correct the condition, according to a written plan proposed by the health maintenance organization and approved by the commissioner. If a health maintenance organization does not propose

measures to correct its reserves or surplus within a reasonable time, if a corporation violates the plan which has been approved, or if there is evidence that an improper reserve or surplus status cannot be corrected within a reasonable time, the commissioner of commerce may take action against the corporation under chapter 60B."

Page 20, line 4, delete "*a multiple equal to the*" and insert "*\$400,000 not including organization-related land, buildings, and equipment, for each additional organization, for guaranteeing organizations that have been in operation for at least five years, and by \$2,000,000 including organization-related land, buildings, and equipment, for each additional organization, for guaranteeing organizations that have been in operation for at least ten years*"

Page 20, line 5, delete "*number of these organizations*"

Page 21, line 16, delete "*and separate health service contract*"

Page 21, line 29, delete "*or separate health service*"

Page 21, line 30, delete "*contract*"

Page 22, line 8, delete the comma and insert "*and*"

Page 22, line 9, delete "*which*" and insert "*whom*"

Page 22, line 10, delete "*, and a statement of consumer rights*"

Page 22, line 11, delete the new language

Page 22, after line 11, insert:

"(c) On the cover page of the evidence of coverage, a clear and complete statement of enrollees' rights as consumers, including but not limited to a description of each of the following:

(1) Based upon the delivery system of each health maintenance organization, a statement which describes any health care professional as defined in section 145.61, whose services may be available only by referral of the health maintenance organization's participating staff;

(2) the right to available and accessible services which can be secured as promptly as appropriate for the symptoms presented, in a manner which assures continuity and, when medically necessary, the right to emergency services available 24 hours a day and 7 days a week;

(3) the consumer's right to be informed of his or her health problems, and to receive information regarding treatment alternatives and risks which is sufficient to assure informed choice;

(4) the right to refuse treatment;

(5) the right to privacy of medical and financial records maintained by the health maintenance organization and its health care providers, in accordance with existing law;

(6) the right to file a grievance with the health maintenance organization and the commissioner when experiencing a problem with the health maintenance organization or its health care providers;

(7) the right to arbitrate or litigate complaints when dissatisfied with the health maintenance organization's determination regarding a grievance;

(8) *the right of the enrollee and his or her dependents to continue group coverage in the event the enrollee is terminated or laid off from employment, provided that the cost of such coverage is paid by the enrollee and furthermore, the right of the enrollee to convert to an individual contract at the end of the continuation period;*

(9) *the right for notification of enrollees regarding the cancellation or termination of contracts with participating primary care professionals, and the right to choose from among remaining participating primary care professionals;*

(10) *the right to cancel an individual health maintenance contract within 10 days of its receipt and to have premiums paid refunded if, after examination of the contract, the individual is not satisfied with it for any reason. The individual is responsible for repaying the health maintenance organization for any services rendered or claims paid by the health maintenance organization during the 10 days; and*

(11) *the right to a grace period of 31 days for the payment of each premium for an individual health maintenance contract falling due after the first premium during which period the contract shall continue in force.*

Sec. 18. Minnesota Statutes 1982, section 62D.07, is amended by adding a subdivision to read:

Subd. 4. A grace period of 31 days shall be granted for payment of each premium for an individual health maintenance contract falling due after the first premium, during which period the contract shall continue in force.

Sec. 19. Minnesota Statutes 1982, section 62D.07, is amended by adding a subdivision to read:

Subd. 5. Any person entering into an individual health maintenance contract may cancel the contract within ten days of its receipt and have the premium paid refunded if, after examination of the contract, the individual is not satisfied with it for any reason. The individual is responsible for repaying the health maintenance organization for any services rendered or claims paid by the health maintenance organization during the ten days."

Page 22, line 19, reinstate the stricken "(e)," and delete "(h)" and insert "(g)"

Page 22, line 19, reinstate the stricken "(j)," and delete "and"

Page 22, line 19, after "(p)" insert ", (q) and (r)"

Page 24, line 18, before "enrollees" insert "affected"

Page 24, line 20, after "discontinuance" insert ", provided that cancellation or discontinuance of a referral provider need not be reported to enrollees"

Page 24, line 21, before "enrollees" insert "affected"

Page 24, line 23, delete "a" and insert "an automatic"

Page 24, after line 30, insert:

"Subdivision 1. Any written marketing materials which may be directed toward potential enrollees and which includes a summary of benefits pro-

vided by the health maintenance organization shall include a statement of consumer rights as described in section 62D.07, subdivision 3(c):

Subd. 2. The application for coverage by the health maintenance organization shall include, on the same page as the applicant's signature, the statement of consumer rights as described in section 62D.07, subdivision 3, paragraph (c)."

Page 24, line 31, before "Every" insert "Subd. 3."

Page 25, line 4, delete everything after "paragraph" and insert "(c)"

Page 25, line 5, delete the new language

Page 25, line 15, after "accept" insert "all otherwise eligible"

Page 25, line 17, delete "matter" and insert "manner"

Page 27, after line 13, insert:

"Sec. 29. [62D.102] [MINIMUM BENEFITS.]

In addition to minimum requirements established in other sections, all group health maintenance contracts providing benefits for mental or nervous disorder treatments in a hospital shall also provide coverage for at least ten hours of treatment over a 12-month period with a copayment not to exceed the greater of \$10 or 20 percent of the applicable usual and customary charge for mental or nervous disorder consultation, diagnosis and treatment services delivered while the enrollee is not a bed patient in a hospital.

Sec. 30. [62D.103] [SECOND OPINION RELATED TO CHEMICAL DEPENDENCY AND MENTAL HEALTH.]

A health maintenance organization shall promptly evaluate the treatment needs of any enrollee who is seeking treatment for a problem related to chemical dependency or mental health conditions. In the event that the health maintenance organization or a participating provider determines that no type of structured treatment is necessary, the enrollee shall be immediately entitled to a second opinion paid for by the health maintenance organization, by a health care professional qualified in diagnosis and treatment of the problem and not affiliated with the health maintenance organization. The health maintenance organization or participating provider shall consider the second opinion but is not obligated to accept the conclusion of the second opinion. The health maintenance organization or participating provider shall document its consideration of the second opinion."

Page 28, line 10, after "9." insert "All net earnings of the health maintenance organization shall be devoted to the nonprofit purposes of the health maintenance organization in providing comprehensive health care."

Page 28, line 13, strike "authorized expenses of a health"

Page 28, lines 14 to 16, strike the old language

Page 28, lines 23 to 31, strike the old language and delete the new language

Page 28, line 32, strike "providing comprehensive" and insert "maintenance organizations may make payments to providers or other persons based upon the efficient provision of services or as incentives to provide quality"

Page 28, after line 35, insert:

"Sec. 34. Minnesota Statutes 1982, section 62D.12, is amended by adding a subdivision to read:

Subd. 9a. Authorized expenses of a health maintenance organization shall include:

(1) cash rebates to enrollees, or to persons who have made payments on behalf of enrollees;

(2) direct payments to enrollees or providers as provided in subdivision 4, clause (b); or

(3) free or reduced cost health service to enrollees."

Page 29, delete section 36

Page 31, line 9, strike "confidential" and insert "private as defined in chapter 13"

Page 31, line 11, strike "that it may be"

Page 31, line 12, after "62D.29" insert "*the commissioner and his or her designee shall have access to the above data or information but the data removed from the health maintenance organization or participating entity shall not identify any particular patient or client by name or contain any other unique personal identifier*"

Page 31, line 17, after the period, insert "*In any case involving a suspected violation of law in which access to health data maintained by the health maintenance organization or participating entity is necessary, the commissioner and his or her agents, while maintaining the privacy rights of individuals and families, shall be permitted to obtain data that identifies any particular patient or client by name. If, as a result of the investigation, the commissioner deems it appropriate, the commissioner shall initiate any legal action or refer the matter to the appropriate legal authority and the commissioner may disseminate whatever data are necessary to fulfill his or her responsibilities.*"

Page 31, after line 28, insert:

"Subd. 7. Failure to provide information necessary for conducting examinations pursuant to this section shall automatically result in the levy of a \$200 fine for each day the information is not provided. A fine levied under this subdivision shall be subject to judicial review as provided by chapter 14."

Page 32, line 32, delete "sections" and insert "statute or administrative rule"

Page 33, line 34, after "no" insert "automatic"

Page 34, line 1, after the period, insert "Written"

Page 34, lines 1 and 2, delete "made through briefs"

Page 34, line 4, delete "briefs" and insert "written arguments"

Page 34, line 18, before "No" insert "Subdivision 1."

Page 34, line 21, reinstate the stricken "insurance" and delete "health"

Page 34, lines 23 to 29, delete the new language

Page 34, after line 29, insert:

"Subd. 2. [FACTORS.] In an effort to achieve the stated purposes of sections 62D.01 to 62D.29; in order to safeguard the underlying nonprofit mode of health maintenance organizations; and to ensure that the payment of health maintenance organization moneys to major participating entities results in a corresponding benefit to health maintenance enrollees, the commissioner of commerce shall give due consideration to the following factors when determining whether an organization has incurred an unreasonable expense in relation to a major participating entity:

(1) the expense incurred or paid by other health maintenance organizations and other health care delivery systems for the same or similar service or goods;

(2) the health maintenance organization's ability, at the time of making the agreement, to contract with other entities offering substantially similar service at a substantially lower cost to the organization;

(3) the impact of the expense incurred on the financial solvency of the health maintenance organization;

(4) all pertinent cost and service data obtained or obtainable by the commissioner of health from the health maintenance organization pursuant to sections 62D.03, 62D.04, 62D.08, 62D.12, and 62D.14 of the act; and

(5) such other information and information collection techniques as the commissioner may employ which show the real cost or fair market value of such service or goods."

Pages 34 and 35, delete section 43

Page 35, after line 36, insert:

"Sec. 44. [INTERAGENCY AGREEMENT.]

In order to implement the provisions of sections 62D.01 to 62D.30, the commissioner of health and commissioner of commerce shall enter into an agreement for coordinated enforcement of laws pertaining to health maintenance organizations. The agreement shall contain procedures whereby each commissioner, to the extent resources are available, shall provide technical assistance to the other in those policy matters which each commissioner has unique, specialized expertise."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 20, delete everything after the semicolon

Page 1, delete line 21

Page 1, line 25, delete "62A.081;" and delete "62A.149;"

Page 1, line 26, delete "subdivisions 5, 6, and" and insert "subdivision"

Page 1, line 28, after "and 3" insert ", and by adding subdivisions"

Page 1, line 31, delete "11," and delete "a"

Page 1, line 32, delete the first "subdivision" and insert "subdivisions"

Page 1, line 33, delete "62D.20;"

Page 1, line 35, delete "62A.152;"

Page 1, line 36, delete "subdivisions 1 and" and insert "subdivision"

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

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

S.F. No. 1940: A bill for an act relating to alcoholic beverages; allowing licensed premises to remain open after the hour sales of alcoholic beverages must cease; amending Minnesota Statutes 1982, section 340.14, subdivision 5; Minnesota Statutes 1983 Supplement, sections 340.034, subdivision 1; and 340.14, subdivision 1.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1982, section 340.034, is amended by adding a subdivision to read:

"Subd. 4. [CLOSING HOURS.] (a) A licensed on-sale premise otherwise prohibited from remaining open may remain open until 3:00 a.m. on any day when sales of nonintoxicating malt liquor are otherwise permitted, provided that a permit is obtained pursuant to this subdivision and no nonintoxicating malt liquor is sold or consumed after the hour required under subdivision 1.

(b) A political subdivision may issue a permit to allow an establishment to remain open after hours, as allowed by this subdivision, provided that no permit may be issued to an establishment who has, within the preceding three years, been found to have sold nonintoxicating malt liquor after the hours set forth under subdivision 1. A political subdivision may revoke a permit issued under this subdivision if nonintoxicating malt liquor is sold after the hours set forth under subdivision 1. The fee for the permit shall not exceed \$25 per year.

(c) This subdivision is repealed effective June 30, 1986.

Sec. 2. Minnesota Statutes 1982, section 340.14, is amended by adding a subdivision to read:

Subd. 1b. [CLOSING HOURS.] (a) A licensed on-sale premise otherwise prohibited from remaining open may remain open until 3:00 a.m. on any day when sales of intoxicating liquor are otherwise permitted, provided that a permit is obtained pursuant to this subdivision and no intoxicating liquor is sold or consumed after the hour required under subdivisions 1 and 5.

(b) A political subdivision may issue a permit to allow an establishment to remain open after hours, as allowed by this subdivision, provided that no permit may be issued to an establishment who has, within the preceding three years, been found to have sold intoxicating liquor after the hours set forth under subdivisions 1 and 5. A political subdivision may revoke a permit

under this subdivision if intoxicating liquor is sold after the hours set forth under subdivisions 1 and 5. The fee for the permit shall not exceed \$25.

(c) This subdivision is repealed effective June 30, 1986."

Amend the title as follows:

Page 1, line 5, delete "section" and insert "sections 340.034, by adding a subdivision; and"

Page 1, line 5, delete "subdivision 5;" and insert "by adding a subdivision."

Page 1, delete lines 6 and 7

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. 1968: A bill for an act relating to motor vehicles; prohibiting fees for the return of number plates; amending Minnesota Statutes 1982, section 168.15.

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. 1912: A bill for an act relating to transportation; allowing entire portions of former trunk highways to revert to counties under certain circumstances; amending Minnesota Statutes 1982, section 161.16, subdivision 4.

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

Page 1, line 17, after "highway" insert "*unless the commissioner, the road authority originally charged with the care of the trunk highway and the road authority of the political subdivision in which the portion is located agree on another disposition, in which case the reversion is as provided in the agreement*"

Page 2, after line 22, insert:

"Sec. 2. Minnesota Statutes 1983 Supplement, section 162.081, subdivision 4, is amended to read:

Subd. 4. [PURPOSES.] Money apportioned to a county from the town road account must be distributed to the treasurer of each town within the county, according to a distribution formula adopted by the county board. The formula must take into account each town's levy for road and bridge purposes, its population and town road mileage, and other factors as the county board deems advisable in the interests of achieving equity among the towns. Distribution of town road funds to the treasurer of the towns must be made within 30 days of the receipt of the funds by the county treasurer. Distribution of

funds to town treasurers in a county which has not adopted a distribution formula under this subdivision must be made according to a formula prescribed by the commissioner by rule. A formula adopted by a county board or by the commissioner must provide that a town, in order to be eligible for distribution of funds from the town road account in a calendar year, must have levied in the previous year for road and bridge purposes at least two mills on the dollar of the assessed value of the town.

Money distributed to a town under this subdivision may be expended by the town only for the construction ~~and~~, reconstruction, *and maintenance* of town roads within the town.

Sec. 3. [TRUNK HIGHWAY SYSTEM; REMOVAL OF ROUTE NO. 236.]

Subdivision 1. [ROUTE DISCONTINUED.] Route No. 236 as contained and described in section 161.115 is discontinued and removed from the trunk highway system.

Subd. 2. [REVISOR INSTRUCTION.] In compiling the Minnesota Statutes, the revisor of statutes shall delete the route specified in subdivision 1."

Page 2, line 24, delete "This act is" and insert "Sections 1 and 2 are" and after the period, insert "Section 3 is effective upon the regrading and surfacing of the roadway at which time it shall become a part of the county road system of Traverse County."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "allowing town road funds to be used for maintenance; discontinuing a trunk highway route;"

Page 1, line 5, before the period, insert "and Minnesota Statutes 1983 Supplement, section 162.081, subdivision 4"

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. 1340: A bill for an act relating to transportation; accelerating the phased transfer of the motor vehicle excise tax from the general fund to the highway user tax distribution fund and transit assistance fund; amending Minnesota Statutes 1983 Supplement, section 297B.09.

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

Page 1, after line 8, insert:

"Section 1. [174.231] [TRANSIT ASSISTANCE PROGRAM.]

Subdivision 1. [ESTABLISHMENT; PURPOSE.] A transit assistance program is established to provide transit assistance within the state. The commissioner shall provide financial assistance from the fund created in subdivision 2 to eligible recipients for transit service activities as provided in

this section.

Subd. 2. [TRANSIT ASSISTANCE FUND; DISTRIBUTION.] A transit assistance fund is created for the purpose of receiving money distributed under section 297B.09. The commissioner shall distribute 80 percent of the proceeds of the fund to recipients located in the metropolitan area and 20 percent to recipients located outside of the metropolitan area.

Subd. 3. [ELIGIBLE RECIPIENTS.] A legislatively established public transit commission or authority, a county or statutory or home rule charter city operating, intending to operate, or providing financial assistance to a transit service, or a private operator of public transit is eligible for assistance under the program.

Subd. 4. [ELIGIBLE SERVICES.] Transit services eligible for assistance under the program include but are not limited to:

- (1) public transit;
- (2) light rail transit;
- (3) commuter van, car pool, ride share, and park and ride; and
- (4) other services that further the purposes of section 174.21.

Subd. 5. [ELIGIBLE ACTIVITIES.] Activities eligible for assistance under the program include but are not limited to:

- (1) planning and engineering design for transit services;
- (2) capital assistance to purchase or refurbish transit vehicles, purchase rail lines and associated facilities, purchase rights-of-way, and other capital expenditures necessary to provide a transit service; and
- (3) other assistance for public transit services.

Subd. 6. [DISTRIBUTION OF CERTAIN PROCEEDS.] The commissioner shall distribute 100 percent of the proceeds made available for the metropolitan area in the fiscal year ending June 30, 1985, for the planning and engineering design for light rail transit."

Page 1, line 15, reinstate the stricken "July 1" and delete "January 1"

Page 1, line 16, strike "1985" and insert "1984"

Page 1, line 17, reinstate the stricken "June 30,"

Page 1, line 18, delete "December 31," and strike "1987" and insert "1985"

Page 1, line 20, strike "1987" and insert "1985"

Page 1, line 21, strike "1989" and insert "1987"

Page 1, line 23, strike "1989" and insert "1987" and strike "1991" and insert "1989"

Page 1, line 25, strike "1991" and insert "1989"

Page 2, line 5, after "fund" insert "created under section 1"

Page 2, line 6, reinstate the stricken "July 1" and delete "January 1"

Page 2, line 7, strike "1985" and insert "1984"

Page 2, line 8, reinstate the stricken "June 30,"

Page 2, line 9, delete "December 31," and strike "1987" and insert "1985"

Page 2, lines 13, 21, 29 and 36, strike "account"

Page 2, line 17, strike "1987" and insert "1985" and strike "1989" and insert "1987"

Page 2, line 25, strike "1989" and insert "1987" and strike "1991" and insert "1989"

Page 2, line 33, strike "1991" and insert "1989"

Page 3, after line 2, insert:

"Sec. 3. [EFFECTIVE DATE.]

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

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "establishing a transit assistance program;"

Page 1, line 6, before the period, insert "; proposing new law coded in Minnesota Statutes, chapter 174"

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. 2018: A bill for an act relating to unemployment compensation; providing for an alternative method of determining credit weeks; raising the maximum contribution rate to eight percent except under certain circumstances; removing the contribution rate increase and decrease limitation; increasing an employer's experience ratio under certain circumstances; extending the emergency surcharge to repay interest on federal loans; tying the maximum weekly benefit amount to the balance in the unemployment compensation fund under certain circumstances; removing the limitation on the application of severance pay as it affects eligibility for benefits; changing certain conditions for requalifying for benefits; eliminating the split taxable wage base; amending Minnesota Statutes 1982, sections 268.04, subdivisions 24 and 30, and by adding a subdivision; 268.06, subdivision 8; 268.07, subdivision 2a; 268.071, subdivision 1; and 268.10, subdivision 1; Minnesota Statutes 1983 Supplement, sections 268.06, subdivision 3a; 268.061, subdivisions 1 and 3; 268.07, subdivision 2; 268.08, subdivisions 1 and 3; 268.09, subdivisions 1 and 2; and 268.10, subdivision 2; repealing Minnesota Statutes 1983 Supplement, section 268.06, 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 1983 Supplement, section 268.04, subdivision 2, is amended to read:

Subd. 2. "Base period" means the period of 52 calendar weeks immediately preceding the first day of an individual's benefit year. However, if a claimant received weekly worker's compensation for temporary total disability under the provisions of chapter 176 or under a similar law of the United States for more than seven weeks within the base period; or if a claimant, whose own serious illness caused a loss of credit weeks within the base period, received compensation due to the illness from some other source or under a law of this state other than chapter 176 or under a similar law of the United States for more than seven weeks within the base period, the claimant's base period shall be lengthened by the same number of weeks, but not to exceed 52 weeks, for which the claimant received the payments. No extended base period shall include wage credits upon which benefits were established and paid with respect to a prior valid claim first four of the last five completed calendar quarters immediately preceding the first day of an individual's benefit year. However, if during the last base period an individual received workers' compensation for temporary disability under chapter 176 or under similar law of the United States, or if an individual, whose own serious illness caused a loss of work for which the individual received compensation due to the illness from some other source or under a law of this state, other than chapter 176 or under a similar law of the United States, the individual's base period shall be lengthened to the extent stated as follows:

(a) If an individual was compensated, as described above, for a loss of work of 7 through 13 weeks, the original base period shall be extended to include the first calendar quarter preceding the original base period; or

(b) If an individual was compensated, as described above, for a loss of work of 20 through 26 weeks, the original base period shall be extended to include two calendar quarters preceding the base period; or

(c) If an individual was compensated, as described above, for a loss of work from 33 through 39 weeks, the original base period shall be extended to include the first three calendar quarters preceding the base period; or

(d) If an individual was compensated, as described above, for a loss of work from 46 through 52 weeks, the original base period shall be extended to include the first four quarters preceding the base period.

In no instance shall the base period be extended to include more than four additional calendar quarters.

No extended base period shall include wage credits upon which a claim was established and benefits were paid with respect to that valid claim.

Sec. 2. Minnesota Statutes 1982, section 268.04, subdivision 24, is amended to read:

Subd. 24. "Valid claim" with respect to any individual means a claim filed by an individual who has registered for work and who has earned wage credits and established credit weeks during his base period sufficient to entitle him to benefits under section 268.07, subdivision 2.

Sec. 3. Minnesota Statutes 1983 Supplement, section 268.04, subdivision 25, is amended to read:

Subd. 25. [WAGES.] "Wages" means all remuneration for services, including commissions and bonuses, back pay as of the date of payment, and tips and gratuities paid to an employee by a customer of an employer and accounted for by the employee to the employer, and the cash value of all remuneration in any medium other than cash, except that such term shall not include:

(a) For the purpose of determining contributions payable under section 268.06, subdivision 2, that part of the remuneration which exceeds, for each calendar year, the greater of \$7,000 or that part of the remuneration which exceeds 60 percent of the average annual wage rounded to the nearest \$100 computed in accordance with the provisions of clause (f) \$10,400 for the calendar year 1985; \$10,700 for the calendar year 1986; \$11,000 for the calendar year 1987; and for each subsequent calendar year the amount of the previous year increased to the nearest \$100 by the percentage, rounded to the nearest tenth of one percent, by which the average annual wage computed under clause (f) exceeds the average annual wage for the immediately preceding calendar year, paid to an individual by an employer with respect to covered employment in this state, or with respect to employment under the unemployment compensation law of any other state during any calendar year paid to such individual by such covered employer or his predecessor during such calendar year; provided, that if the term "wages" as contained in the Federal Unemployment Tax Act is amended to include remuneration in excess of the amount required to be paid hereunder to an individual by an employer under the federal act for any calendar year, wages for the purposes of sections 268.03 to 268.24 shall include remuneration paid in a calendar year up to an amount equal to the dollar limitation specified in the Federal Unemployment Tax Act. For the purposes of this clause, the term "employment" shall include service constituting employment under any employment security law of another state or of the federal government;

(b) The amount of any payment made to, or on behalf of, an employee under a plan or system established by an employer which makes provision for his employees generally or for a class or classes of his employees (including any amount paid by an employer for insurance or annuities, or into a fund, to provide for any such payment), on account of (1) retirement or (2) sickness or accident disability or (3) medical and hospitalization expenses in connection with sickness or accident disability, or (4) death, provided the employee has not the option to receive, instead of provision for such death benefit, any part of such payment, or if such death benefit is insured, any part of the premium (or contributions to premiums) paid by his employer and has not the right, under the provisions of the plan or system or policy of insurance providing for such death benefit, to assign such benefit, or to receive a cash consideration in lieu of such benefit either upon his withdrawal from the plan or system providing for such benefit or upon termination of such plan or system or policy of insurance or of his employment with such employer;

(c) The payment by an employer (without deduction from the remuneration of the employee) (1) of the tax imposed upon an employee under section 3101 of the federal Internal Revenue Code, or (2) of any payment required from an employee under a state unemployment compensation law, with respect to remuneration paid to an employee for domestic service in a private home of the employer or for agricultural labor;

(d) Any payments made to a former employee during the period of active military service in the armed forces of the United States by such employer, whether legally required or not;

(e) Any payment made to, or on behalf of, an employee or his beneficiary (1) from or to a trust described in section 401(a) of the federal Internal Revenue Code which is exempt from tax under section 501(a) of such code at the time of such payment unless such payment is made to an employee of the trust as remuneration for services rendered as an employee and not as a beneficiary of the trust, or (2) under or to an annuity plan which, at the time of such payment is a plan described in section 403(a) of the federal Internal Revenue Code, or (c) under or to a bond purchase plan which, at the time of such payment, is a qualified bond purchase plan described in section 405(a) of the federal Internal Revenue Code;

(f) On or before July 1 of each year the commissioner shall determine the average annual wage paid by employers subject to sections 268.03 to 268.24 in the following manner:

(1) The sum of the total monthly employment reported for the previous calendar year shall be divided by 12 to determine the average monthly employment;

(2) The sum of the total wages reported for the previous calendar year shall be divided by the average monthly employment to determine the average annual wage.

The average annual wage determined shall be effective for the calendar year next succeeding the determination.

Sec. 4. Minnesota Statutes 1982, section 268.04, is amended by adding a subdivision to read:

Subd. 34. [CONTRIBUTION REPORT.] "Contribution report" means the summary report of wages and employment used to determine the amount of contributions due by employers on a calendar quarter basis. An auxiliary report of wages and employment broken down by business locations, when required, is part of the contribution report.

Sec. 5. Minnesota Statutes 1982, section 268.04, is amended by adding a subdivision to read:

Subd. 35. [WAGE DETAIL REPORT.] "Wage detail report" means the itemized report used to record the information required by section 268.121.

Sec. 6. Minnesota Statutes 1982, section 268.04, is amended by adding a subdivision to read:

Subd. 36. [HIGH QUARTER.] "High quarter" means the calendar quarter in an individual's base period for which the total wage credits paid to the individual during that quarter are equal to or greater than the total wage credits paid to the individual during any other calendar quarter in the individual's base period.

Sec. 7. Minnesota Statutes 1983 Supplement, section 268.06, subdivision 2, is amended to read:

Subd. 2. [RATES.] Each employer shall pay contributions equal to two and

seven-tenths percent for each calendar year prior to 1985 and 5-4/10 percent for 1985 and each subsequent calendar year of wages paid and wages overdue and delayed beyond the usual time of payment from him with respect to employment occurring during each calendar year, except as may be otherwise prescribed in subdivisions 3a and 4. ~~Each employer who has an experience ratio of less than one-tenth of one percent shall pay contributions on only the first \$8,000 in wages paid and wages overdue and delayed beyond the usual time of payment to each employee with respect to employment occurring during each calendar year.~~

Sec. 8. Minnesota Statutes 1983 Supplement, section 268.06, subdivision 3a, is amended to read:

Subd. 3a. [RATE FOR NEW EMPLOYERS.] Notwithstanding the provisions of subdivision 2, each employer, who becomes subject to this law, shall pay contributions at a rate:

(a) Not exceeding 2-7/10 percent, that is the higher of (1) one percent and (2) the state's three-year benefit cost rate for the 36 consecutive month period immediately preceding July 1 of each year for each employer who becomes subject to this law prior to January 1, 1984. For purposes of this clause, the state's three-year benefit cost rate shall be computed annually and shall be derived by dividing the total dollar amount of benefits paid to claimants under this law during the 36 consecutive calendar months immediately preceding July 1 of each year by the total dollar amount of wages subject to contributions under this law during the same period. The rate so determined shall be applicable for the calendar year next succeeding each computation date.

(b) Not exceeding 2-7/10 percent, that is the higher of (1) one percent and (2) the state's four-year benefit cost rate for the 48 consecutive month period immediately preceding July 1 of each year for each employer, except employers in the construction industry, as determined by the commissioner, who becomes subject to this law subsequent to December 31, 1983 and prior to January 1, 1985. For purposes of this clause, the state's four-year benefit cost rate shall be computed and derived by dividing the total dollar amount of benefits paid to claimants under this law during the 48 consecutive calendar months immediately preceding July 1, 1983 by the total dollar amount of wages subject to contributions under this law during the same period. The rate so determined shall be applicable for the calendar year 1984.

Each construction employer described above who becomes subject to chapter 268 shall pay contributions at a rate, not exceeding ~~7-5 percent~~ *the maximum rate specified in subdivision 8*, that is the higher of (1) one percent, or (2) the state's four-year benefit cost rate for construction employers for the 48 consecutive month period immediately preceding July 1, 1983. For purposes of this clause, the state's four-year benefit cost rate shall be computed and derived by dividing the total dollar amount of benefits paid to claimants of construction employers, as determined by the commissioner, during the 48 consecutive calendar months immediately preceding July 1, 1983 by the total dollar amount of wages of construction employers subject to contributions during the same period. The rate so determined shall be applicable for the calendar year 1984.

(c) Not exceeding 5-4/10 percent, that is the higher of (1) one percent and (2) the state's five-year benefit cost rate for the 60 consecutive month period

immediately preceding July 1, 1984 and each year thereafter for each employer, except employers in the construction industry, as determined by the commissioner who becomes subject to this law on January 1, 1985 and thereafter. For purposes of this clause, the state's five-year benefit cost rate shall be computed annually and shall be derived by dividing the total dollar amount of benefits paid to claimants under this law during the 60 consecutive calendar months immediately preceding July 1, 1984 and each year thereafter by the total dollar amount of wages subject to contributions under this law during the same period. The rate so determined shall be applicable for the calendar year next succeeding each computation date.

Each construction employer described above who becomes subject to this chapter shall pay contributions at a rate, not exceeding ~~7.5 percent~~ *the maximum rate specified in subdivision 8*, that is the higher of (1) one percent, or (2) the state's five-year benefit cost rate for construction employers for the 60 consecutive month period immediately preceding July 1, 1984 and each year thereafter. For purposes of this clause, the state's five-year benefit cost rate shall be computed annually and shall be derived by dividing the total dollar amount of benefits paid to claimants of construction employers, as determined by the commissioner, during the 60 consecutive calendar months immediately preceding July 1, 1984 and each year thereafter by the total dollar amount of wages of construction employers subject to contributions during the same period. The rate so determined shall be applicable for the calendar year next succeeding each computation date.

Sec. 9. Minnesota Statutes 1982, section 268.06, subdivision 6, is amended to read:

Subd. 6. [COMPUTATION OF EACH EMPLOYER'S EXPERIENCE RATIO.] The commissioner shall, for the calendar year 1966, and for each calendar year thereafter, compute an experience ratio for each employer whose account has been chargeable with benefits;

(a) During the 36 consecutive calendar months immediately preceding July 1 of the preceding calendar year for calendar years up to December 31, 1983; except that, for any employer who has not been subject to the Minnesota employment services law for a period of time sufficient to meet the 36 consecutive months requirement, the commissioner shall compute an experience ratio if his account has been chargeable with benefits during at least the 12 consecutive calendar months immediately preceding July 1 of the preceding calendar year. Such experience ratio shall be the quotient obtained by dividing ~~4~~ ¹ times the total benefits charged to the employer's account during the period his account has been chargeable but not less than the 12 or more than the 36 consecutive calendar months ending on June 30 of the preceding calendar year, by his total taxable payroll for the same period on which all contributions due have been paid to the department of economic security on or before July 31 of the preceding calendar year. Such experience ratio shall be computed to the nearest one-tenth of a percent.

(b) During the 48 consecutive calendar months immediately preceding July 1, 1983 for the calendar year for 1984; except that, for any employer who has not been subject to the Minnesota employment services law for a period of time sufficient to meet the 48 consecutive months requirement, the commissioner shall compute an experience ratio if his account has been chargeable

with benefits during at least the 12 consecutive calendar months immediately preceding July 1, 1983. Such experience ratio shall be the quotient obtained by dividing ~~1-1/4~~ times the total benefits charged to the employer's account during the period his account has been chargeable but not less than the 12 or more than the 48 consecutive calendar months ending on June 30, 1983, by his total taxable payroll for the same period on which all contributions due have been paid to the department of economic security on or before July 31, 1983. Such experience ratio shall be computed to the nearest one-tenth of a percent.

(c) During the 60 consecutive calendar months immediately preceding July 1 of the preceding calendar year for 1985 and each year thereafter; except that, for any employer who has not been subject to the Minnesota employment services law for a period of time sufficient to meet the 60 consecutive months requirement, the commissioner shall compute an experience ratio if his account has been chargeable with benefits during at least the 12 consecutive calendar months immediately preceding July 1 of the preceding calendar year. Such experience ratio shall be the quotient obtained by dividing ~~1-1/4~~ times the total benefits charged to the employer's account during the period his account has been chargeable but not less than the 12 or more than the 60 consecutive calendar months ending on June 30 of the preceding calendar year for 1985 and each year thereafter, by his total taxable payroll for the same period on which all contributions due have been paid to the department of economic security on or before July 31 of the preceding calendar year. Such experience ratio shall be computed to the nearest one-tenth of a percent.

Sec. 10. Minnesota Statutes 1982, section 268.06, subdivision 8, is amended to read:

Subd. 8. [DETERMINATION OF CONTRIBUTION RATES.] (a) For each calendar year the commissioner shall determine the contribution rate of each employer by adding the minimum rate to , the *employer's* experience ratio, except that if the ratio for the current calendar year increases or decreases the experience ratio for the preceding calendar year by more than one and one-half percentage points for 1982; and 2-1/2 percentage points for 1983 and each year thereafter, the increase or decrease for the current year shall be limited to one and one-half percentage points for 1982; and 2-1/2 percentage points for 1983 and each year thereafter, provided that a small business employer shall be eligible, upon application, for a reduction in the limitation to 1-1/2 percentage points for 1983 and each year thereafter. "Small business employer" for the purpose of this subdivision means an employer with an annual covered payroll of \$250,000 or less, or fewer than 20 employees in three of the four quarters ending June 30, of the previous calendar year and the solvency rate if applicable.

(b) The minimum rate for all employers shall be one percent if the amount in the unemployment compensation fund is less than \$80,000,000 on June 30 of the preceding calendar year; or nine-tenths of one percent if the fund is more than \$80,000,000 but less than \$90,000,000; or eight-tenths of one percent if the fund is more than \$90,000,000 but less than \$110,000,000; or seven-tenths of one percent if the fund is more than \$110,000,000 but less than \$130,000,000; or six-tenths of one percent if the fund is more than \$130,000,000 but less than \$150,000,000; or five-tenths of one percent if the

fund is more than \$150,000,000 but less than \$170,000,000; or three-tenths of one percent if the fund is more than \$170,000,000 but less than \$200,000,000; or one-tenth of one percent if the fund is \$200,000,000 or more; provided that no employer shall have a contribution rate of more than 7.5 percent.

(c) A solvency rate for each employer shall be determined as follows:

(1) All employers, except those making payments in lieu of contributions, shall be assessed a solvency rate of one-fourth of one percent for calendar year 1985 and for each year thereafter until the amount in the unemployment compensation fund is more than \$50,000,000 on April 1 in which year the solvency rate shall be assessed for only its first two calendar quarters.

(2) Employers who have had benefits charged to their experience rating account during their applicable experience ratio period shall be assessed an additional solvency rate of three-tenths of one percent for calendar year 1985 and each year thereafter until such time that the amount in the unemployment compensation fund on April 1 of the preceding year is less than \$100,000,000, two-tenths of one percent if \$100,000,000 but less than \$200,000,000, and one-tenth of one percent if \$200,000,000 but less than \$300,000,000.

(d) The maximum contribution rate shall be eight percent until the amount in the unemployment compensation fund on April 1 of the preceding calendar year is more than \$50,000,000 and shall be seven and one-half percent thereafter.

(e) For the purposes of this section the unemployment compensation fund shall not include any moneys advanced from the Federal Unemployment Account in the unemployment trust fund in accordance with Title XII of the Social Security Act, as amended. No employer first assigned an experience ratio in accordance with subdivision 6, shall have his contribution rate increased or decreased by more than one and one-half percentage points for 1982; and 2-1/2 percentage points for 1983 and each year thereafter over the contribution rate assigned for the preceding calendar year in accordance with subdivision 3a, provided that a small business employer shall be eligible, upon application, for a reduction in the limitation to 1-1/2 percentage points for 1983 and each year thereafter.

Sec. 11. Minnesota Statutes 1983 Supplement, section 268.061, is amended to read:

268.061 [SURCHARGE; EMERGENCY INTEREST REPAYMENT FUND.]

Subdivision 1. [AMOUNT.] (a) Each employer, except those making payments in lieu of contributions pursuant to section 268.06, subdivisions 25, 26, 27 and 28, shall pay an annual surcharge of ten percent of contributions paid or due and payable for the previous calendar years 1982 and 1983 year; except that the surcharge shall not apply to any calendar year if:

(1) the amount in the unemployment compensation fund is \$50,000,000 or more on April 1 and on the immediately preceding December 31, September 30, June 30 and April 1; and

(2) there were no outstanding Title XII advances or the Title XII interest obligations on the dates specified.

(b) The commissioner shall notify employers of the contributions upon which the surcharge is based and the amount of surcharge payable no later than August 1, 1983, and August 1, 1984 of each calendar year. The surcharge for a taxable year 1982 shall be paid no later than August 31, 1983, and the surcharge for taxable year 1983 shall be paid no later than August 31, 1984.

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

(d) *For the purposes of this section the unemployment compensation fund shall not include any moneys advanced from the Federal Unemployment Account in the unemployment trust fund in accordance with Title XII of the Social Security Act.*

Subd. 2. [EMERGENCY INTEREST REPAYMENT FUND, CREATION.] A special fund to be known as the emergency interest repayment fund is created in the state treasury. The special fund is separate and distinct from any fund or account created for any other purposes of sections 268.03 to 268.24. All collections from the surcharge shall be deposited in the special fund. All money in the special fund is appropriated to the commissioner to *repay advances and to pay interest or principal* accruing on funds advanced from the federal government pursuant to section 1202 of the Social Security Act, and shall not be used for any other obligation of the state. All money in this fund shall be deposited, administered, and disbursed in the same manner and under the same conditions and requirements as are provided by law for the other special funds in the state treasury, except that all interest or net income resulting from the investment or deposit of money in the fund shall accrue to the emergency fund for the purposes of the fund.

Subd. 3. [REPORT TO LEGISLATURE.] ~~On January 1, 1984, and on January 1, 1985,~~ The commissioner shall report to the legislature *annually* on the status of the outstanding funds advanced pursuant to section 1202 of the Social Security Act, including the interest charged on those funds. When all advanced funds and the interest charged on those funds have been repaid to the federal government, the commissioner shall recommend appropriate action by the legislature relating to the termination of the emergency interest repayment fund and the disposition of any money still in the fund.

Sec. 12. Minnesota Statutes 1983 Supplement, section 268.07, subdivision 2, is amended to read:

Subd. 2. [WEEKLY BENEFIT AMOUNT AND DURATION.] ~~If the commissioner finds that an individual has earned 15, or more, credit weeks within the base period of employment in insured work with one or more employers, benefits shall be payable to such individual during his benefit year as follows:~~

(1) Weekly benefit amount shall be equal to 60 percent of the first \$85; 40 percent of the next \$85 and 50 percent of the remainder of the average weekly

~~wage of such individual. The amount so computed if not a whole dollar shall be rounded down to the next lower dollar amount.~~ (a) To establish a valid claim for unemployment insurance benefits, an individual must have:

(1) wage credits in two or more calendar quarters of their base period;

(2) minimum total base period wage credits equal to the high quarter wages multiplied by 1.25 for claims effective prior to July 1, 1986, by 1.3 for claims effective subsequent to July 1, 1986, and prior to July 1, 1987, by 1.4 for claims effective subsequent to July 1, 1987, and prior to July 1, 1988, and by 1.5 for claims effective after July 1, 1988; and

(3) for claims effective prior to July 1, 1986, high quarter wage credits of not less than \$1,170, and for claims effective subsequent to July 1, 1986, high quarter wage credits equivalent to 13 times 30 percent of the average weekly wage, rounded to the next lower dollar. The average weekly wage shall be determined in accordance with paragraph (d).

(b) Effective July 1, 1986, an individual who is unable to establish a valid claim under paragraph (a), clauses (1) to (3), may establish a valid claim if the individual has:

(1) wage credits in 30 or more weeks, with employment in each week equaling at least 20 hours; and

(2) wage credits of not less than \$871 or more than the amount determined in paragraph (a), clause (3).

(c) If the commissioner finds that an individual has sufficient wages within the base period to establish a valid claim, the weekly benefit amount payable to the individual during his benefit year shall equal 1/26 of the individual's high quarter wage credits, rounded to the next lower whole dollar; except that, the maximum weekly benefit amount of claims for benefits which establish a benefit year subsequent to July 1, 1979 shall be 66-2/3 percent of the average weekly wage, ~~except as provided in clause (d)~~ as determined under this paragraph. On or before June 30 of each year the commissioner shall determine the average weekly wage paid by employers subject to sections 268.03 to 268.24 in the following manner:

~~(a)~~ (1) The sum of the total monthly employment reported for the previous calendar year shall be divided by 12 to determine the average monthly employment.

~~(b)~~ (2) The sum of the total wages reported for the previous calendar year shall be divided by the average monthly employment to determine the average annual wage.

~~(c)~~ (3) The average annual wage shall be divided by 52 to determine the average weekly wage.

The maximum weekly benefit amount as so determined computed to the nearest whole dollar shall apply to claims for benefits which establish a benefit year which begins subsequent to June 30 of each year.

(d) Notwithstanding the provisions of paragraph (c), the maximum weekly benefit for claims for benefits which establish a benefit year subsequent to June 30, 1982, and prior to July 1, 1988, shall be as follows:

~~(d)~~ (1) The maximum weekly benefit amount for claims for benefits which

establish a benefit year subsequent to June 30, 1982, and prior to July 1, 1983, shall be \$184.

(2) The maximum weekly benefit amount for claims for benefits which establish a benefit year subsequent to June 30, 1983, and prior to July 1, 1984, shall be \$191.

(3) The maximum weekly benefit amount for claims for benefits which establish a benefit year subsequent to June 30, 1984, and prior to July 1, 1985, shall be \$198.

(4) *The maximum weekly benefit amount for claims for benefits which establish a benefit year subsequent to June 30, 1985, and prior to July 1, 1986, shall be \$208.*

(5) *The maximum weekly benefit amount for claims for benefits which establish a benefit year subsequent to June 30, 1986, and prior to July 1, 1987, shall be \$228.*

(6) *The maximum benefit amount for claims for benefits which establish a benefit year subsequent to June 30, 1987, and prior to July 1, 1988, shall be \$258.*

(2) (e) *An individual's maximum amount of regular benefits payable in a benefit year shall not exceed the lesser of (a) 26 times his weekly benefit amount or (b) 70 percent of the number of credit weeks earned by such an individual computed to the nearest whole week times his weekly benefit amount. Any otherwise eligible individual shall be entitled during any benefit year to a total amount of benefits equal to one-third of his total base period wage credits rounded to the next lower dollar not to exceed 26 times his weekly benefit amount.*

(3) (f) Each eligible individual who is unemployed in any week shall be paid with respect to such week a benefit in an amount equal to his weekly benefit amount less that part of his earnings, ~~including~~ *excluding* holiday pay, payable to him with respect to such week which is in excess of \$25 or \$200 for earnings from service in the national guard or a United States military reserve unit. Jury duty pay is not considered as earnings and shall not be deducted from benefits paid. Such benefit, if not a whole dollar amount shall be rounded down to the next lower dollar amount.

(4) ~~The provisions of clauses (1) and (2) shall apply to claims for benefits which establish a benefit year subsequent to June 30, 1983.~~

Sec. 13. Minnesota Statutes 1982, section 268.07, subdivision 2a, is amended to read:

Subd. 2a. [EXCEPTION.] Notwithstanding the provisions of subdivision 2, if the commissioner finds that an individual has earned ~~credit weeks wage credits~~ in seasonal employment, benefits shall be payable only if the commissioner finds that the individual has earned ~~15 credit weeks wage credits equal to or in excess of 30 times the individual's weekly benefit amount in employment which is not seasonal, in addition to any credit weeks wage credits~~ in seasonal employment. For the purposes of this subdivision, "seasonal employment" means employment with a single employer in the recreation or tourist industry which is available with the employer for 15 consecutive weeks or less each calendar year.

Sec. 14. Minnesota Statutes 1983 Supplement, section 268.07, subdivision 3, is amended to read:

Subd. 3. [WHEN WAGE CREDITS ARE NOT AVAILABLE.] (1) ~~No individual may receive benefits in a benefit year unless, subsequent to the beginning of the next preceding benefit year during which benefits were received, the individual performed service in insured work as defined in section 268.04, subdivision 17, and earned remuneration for the service in an amount equal to not less than the minimum wage credits required to qualify for benefits. To establish a second benefit year following the expiration of an immediately preceding benefit year, an individual must have sufficient wage credits to establish a claim under the provisions of section 268.07 and must have performed services after the establishment of the expired benefit year. The services performed must have been in insured work and the wage credits from the services must equal not less than ten times the weekly benefit amount of the second benefit year.~~

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

(3) Wages paid by an employing unit may not be used for benefit purposes by any individual who (a) individually or jointly with a spouse, parent or child owns or controls directly or indirectly 25 percent or more interest in the employing unit; or (b) is the spouse, parent or minor child of any individual who owns or controls directly or indirectly 25 percent or more interest in the employing unit; and (c) is not permanently separated from employment.

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

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

Sec. 15. Minnesota Statutes 1983 Supplement, section 268.08, subdivision 1, is amended to read:

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

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

(2) has made a claim for benefits in accordance with rules as the commissioner may adopt; and

(3) was able to work and was available for work, and was actively seeking work. The individual's weekly benefit amount shall be reduced one-fifth for each day the individual is unable to work or is unavailable for work. Benefits

shall not be denied by application of this clause to an individual who is in training with the approval of the commissioner or in training approved pursuant to section 236 of the Trade Act of 1974, as amended;

An individual is deemed unavailable for work with respect to any week which occurs in a period when the individual is a full-time student in attendance at, or on vacation from an established school, college or university unless a majority of the ~~credit weeks~~ *wage credits* earned in the base period were for services performed during weeks in which the student was attending school as a full-time student. *If the individual's claim for benefits is valid by application of section 268.07, subdivision 2, paragraph (b), the individual shall be considered unavailable for work with respect to any week which occurs when the individual is a full-time high school student.*

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

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

Sec. 16. Minnesota Statutes 1983 Supplement, section 268.09, is amended by adding a subdivision to read:

Subd. 2a. An individual whose claim for benefits is valid by application of section 268.07, subdivision 2, paragraph (b), and is disqualified for benefits under subdivisions 1 and 2 of this section, other than for gross misconduct, shall be disqualified for waiting week credit and benefits. The disqualification shall continue until four weeks have elapsed following the separation or refusal of suitable work or reemployment and until the individual has worked for a minimum of 20 hours in each of four weeks.

Sec. 17. Minnesota Statutes 1982, section 268.10, subdivision 1, is amended to read:

Subdivision 1. [FILING.] Claims for benefits shall be made in accordance with such regulations as the commissioner may prescribe. Each employer shall post and maintain printed statements of such regulations in places readily accessible to individuals in his service and shall make available to each such individual at the time he becomes unemployed, a printed statement of such regulations. Such printed statements shall be supplied by the commissioner to each employer without cost to him.

(1) Any employer upon separation of an employee from his employment for any reason which may result in disqualification for benefits under section 268.09, shall furnish to such employee a separation notice which shall provide the employer's name, address, and employer account number as registered with the department, the employee's name and social security account number, the inclusive dates of his employment, and the reason for the separation. A copy of such separation notice shall be filed with the commissioner

within seven days of such separation. The commissioner shall require each individual filing a claim for benefits to establish a benefit year to furnish the reason for separation from all employers in his base period.

(2) Upon the filing, by an individual, of a claim for benefits, the commissioner shall give notice to all such base period employers of the filing of such claim and request each such base period employer, within seven days after the mailing of such notice, to furnish the following information:

(a) The total wage credits earned in the base period;

(b) The number of credit weeks which end within the base period;

(c) The week ending dates for each calendar week within the base period in which the individual earned less than the amount required to make a credit week and the amount of earnings in each such week;

(d) The reason for the separation or separations of such individual from the employ of the employer in the base period; and

(e) Such employer's protest, if any, relating to the ineligibility or disqualification of such individual. Upon establishment of a benefit year, the commissioner shall give notice to the last employer for whom the individual worked and all base period employers. The employer so notified shall have seven days after the mailing of the notice to file a protest to charges or raise an issue of ineligibility or disqualification.

(3) If any base period employer, after the notice of filing of a claim and the request for wage and separation information has been duly mailed to his last known address, fails to file information as provided by items (a) through (e) of clause 2 of this subdivision within seven days, the commissioner shall:

(a) Determine the validity of an individual's claim based on the claimant's statements or any other available information. An employer shall be liable for a late filing fee of not less than \$5 nor more than \$25, as the commissioner may determine, to be paid to the department of economic security and credited to the contingent fund if he has failed without good cause to submit the wage and separation information as required in clause 2 of this subdivision within seven days after the request has been duly mailed to his last known address. If, upon review of the wage information on file with the department it is found that an employer failed to provide wage information for the claimant, the commissioner shall accept a claimant certification as to the wages earned, based upon the claimant's records, and issue a monetary determination of validity based upon the certification. The employer who failed to report the individual's wages or filed an erroneous report shall be penalized in accordance with section 268.16 or 268.18. In the absence of fraud, if a redetermination of validity of claim based on an employer's late or erroneous report subsequently cancels or reduces the amount of benefits to which a claimant was entitled under the initial determination, the claimant shall not be required to make repayment to the fund of any benefits paid to him prior to such redetermination; and.

(b) (4) The commissioner shall determine any issue of disqualification raised by clause (1) or by an employer's late report. If an employer fails to file a separation notice within the time limits prescribed in clause (1), any relief from benefit charges provided by section 268.09, subdivision 1, clause

(4), shall apply to weeks of unemployment beginning after the filing of the late report.

Sec. 18. Minnesota Statutes 1983 Supplement, section 268.10, subdivision 2, is amended to read:

Subd. 2. [EXAMINATION OF CLAIMS; DETERMINATION; APPEAL.] (1) An official, designated by the commissioner, shall promptly examine each claim for benefits filed to establish a benefit year pursuant to this section, and, on the basis of the facts found, shall determine whether or not such claims are valid, and if valid, the weekly benefit amount payable, the maximum benefit amount payable during the benefit year, and the date the benefit year terminates, and this determination shall be known as the determination of validity. Notice of the determination of validity or any redetermination as provided for in clause (4) shall be promptly given the claimant and all other interested parties. ~~If within the time limits for filing a protest an employer notifies the department that an individual's weekly benefit amount as determined under section 268.07 exceeds the individual's weekly wages earned with the employer, the individual's weekly benefit amount shall be the lesser of (1) the weekly benefit amount as determined under section 268.07, or (2) the weekly benefit amount which is 50 percent of the quotient derived by dividing the total wage credits earned in the individual's base period credit weeks from all employers in insured work by the number of base period credit weeks. If within the time specified for the filing of wage and separation information a protest as provided in subdivision 1, clause (2), the employer makes an allegation of disqualification or raises an issue of the chargeability to his account of benefits that may be paid on such claim, if the claim is valid, the issue thereby raised shall be promptly determined by said official and a notification of the determination delivered or mailed to the claimant and the employer. If an initial determination or an appeal tribunal decision or the commissioner's decision awards benefits, the benefits shall be paid promptly regardless of the pendency of any appeal period or any appeal or other proceeding which may thereafter be taken. Except as provided in clause (6), if an appeal tribunal decision modifies or reverses an initial determination awarding benefits, or if a commissioner's decision modifies or reverses an appeal decision awarding benefits, any benefits paid under the award of such initial determination or appeal tribunal decision shall be deemed erroneous payments.~~

(2) At any time within 24 months from the date of the filing of a valid claim for benefits by an individual, an official of the department or any interested party or parties raises an issue of claimant's eligibility for benefits for any week or weeks in accordance with the requirements of the provisions of sections 268.03 to 268.24 or any official of the department or any interested party or parties or benefit year employer raises an issue of disqualification in accordance with the regulations of the commissioner, a determination shall be made thereon and a written notice thereof shall be given to the claimant and such other interested party or parties or benefit year employer. A determination issued under this clause which denies benefits for weeks for which the claimant has previously been paid benefits is an overpayment of those benefits subject to section 268.18.

(3) A determination issued pursuant to clauses (1) and (2) shall be final unless an appeal therefrom is filed by a claimant or employer within 15 days after the mailing of the notice of the determination to his last known address

or personal delivery of the notice. Every notice of determination shall contain a prominent statement indicating in clear language the method of appealing the determination, the time within which such an appeal must be made, and the consequences of not appealing the determination. A timely appeal from a determination of validity in which the issue is whether an employing unit is an employer within the meaning of this chapter or whether services performed for an employer constitute employment within the meaning of this chapter shall be subject to the provisions of section 268.12, subdivision 13.

(4) At any time within 24 months from the date of the filing of a valid claim for benefits by an individual, the commissioner on his own motion may reconsider a determination of validity made thereon and make a redetermination thereof if he finds that an error in computation or identity or the crediting of wage credits has occurred in connection therewith or if the determination was made as a result of a nondisclosure or misrepresentation of a material fact. A determination or redetermination issued under this clause which denies benefits for weeks for which the claimant has previously been paid benefits is an overpayment of those benefits subject to section 268.18.

(5) However, the commissioner may in his discretion refer any disputed claims directly to a referee for hearing and determination in accordance with the procedure outlined in subdivision 3 and the effect and status of such determination in such a case shall be the same as though the matter had been determined upon an appeal to the tribunal from an initial determination.

(6) If a referee's decision affirms an initial determination awarding benefits or the commissioner affirms an appeal tribunal decision awarding benefits, the decision, if finally reversed, shall not result in a disqualification and benefits paid shall neither be deemed overpaid nor shall they be considered in determining any individual employer's future contribution rate under section 268.06.

Sec. 19. Minnesota Statutes 1983 Supplement, section 268.12, subdivision 8, is amended to read:

Subd. 8. [RECORDS; REPORTS.] (1) Each employing unit shall keep true and accurate work records for such periods of time and containing such information as the commissioner may prescribe. Such records shall be open to inspection, audit, and verification, and be subject to being copied by any authorized representative of the commissioner at any reasonable time and as often as may be necessary. The commissioner, appeal referee, or any other duly authorized representative of the commissioner, may require from any employing unit any sworn or unsworn reports, with respect to persons employed by it, which the commissioner, appeal referee, or any other duly authorized representative of the commissioner deems necessary for the effective administration of sections 268.03 to 268.24; ~~provided that quarterly contribution and wage report forms shall include the employee's name, social security number, and total wages paid to the employee.~~

(2) The commissioner may cause to be made such summaries, compilations, photographs, duplications, or reproductions of any records, reports, or transcripts thereof as he may deem advisable for the effective and economical preservation of the information contained therein, and such summaries, compilations, photographs, duplications or reproductions, duly authenticated, shall be admissible in any proceeding under sections 268.03 to

268.24, if the original record or records would have been admissible therein. Notwithstanding any restrictions contained in section 16.02, except restrictions as to quantity, the commissioner is hereby authorized to duplicate, on equipment furnished by the federal government or purchased with funds furnished for that purpose by the federal government, records, reports, summaries, compilations, instructions, determinations, or any other written matter pertaining to the administration of the Minnesota Employment Services Law.

(3) Notwithstanding any inconsistent provisions elsewhere, the commissioner may provide for the destruction or disposition of any records, reports, transcripts, or reproductions thereof, or other papers in his custody, which are more than two years old, the preservation of which is no longer necessary for the establishment of contribution liability or benefit rights or for any purpose necessary to the proper administration of sections 268.03 to 268.24, including any required audit thereof, provided, that the commissioner may provide for the destruction or disposition of any record, report, or transcript, or other paper in his custody which has been photographed, duplicated, or reproduced in the manner provided in clause (2).

(4) Notwithstanding the provisions of the Minnesota State Archives Act the commissioner shall with the approval of the legislative auditor destroy all benefit checks and benefit check authorization cards that are more than two years old and no person shall make any demand, bring any suit or other proceeding to recover from the state of Minnesota any sum alleged to be due him on any claim for benefits after the expiration of two years from the date of filing such claim.

Sec. 20. Minnesota Statutes 1982, section 268.121, is amended to read:

268.121 [WAGE REPORTING.]

Beginning on April 1, 1984, each employer subject to this chapter shall provide the commissioner with a quarterly report of *the wages, as defined in section 268.04, subdivision 25,* paid to each employee of that employer covered by this chapter. ~~The commissioner shall provide the legislature with his recommendations for statutory changes to fully implement this section no later than January 1, 1983~~ *The report must include the employee's name, social security number, and total wages paid to the employee.*

Sec. 21. Minnesota Statutes 1982, section 268.15, subdivision 3, is amended to read:

Subd. 3. [CONTINGENT ACCOUNT.] There is hereby created in the state treasury a special account, to be known as the employment services contingent account, which shall not lapse nor revert to any other fund. Such account shall consist of all moneys appropriated therefor by the legislature, all moneys in the form of interest and penalties collected pursuant to ~~section~~ *sections 268.16 and 268.18, and all moneys received in the form of voluntary contributions to this account and interest thereon.* All moneys in such account shall be supplemental to all federal moneys that would be available to the commissioner but for the existence of this account. Moneys in this account are hereby appropriated to the commissioner and shall be expended in accordance with the provisions of section 3.30, in connection with the administration of sections 268.03 to 268.24. *Commencing with the fiscal year beginning July 1, 1984, the commissioner is authorized to expend annually,*

in addition to any federal moneys and without reference to section 3.30, the sum of \$500,000, from available moneys in this fund which are derived from interest and penalties collected pursuant to sections 268.16 and 268.18 and moneys received in the form of voluntary payments and interest thereon, for the purpose of providing for: (a) the investigation of fraud on the part of any person in claiming or obtaining benefits under sections 268.03 to 268.24 or fraud on the part of any employer in attempting to avoid or reduce any contribution or other payment required from an employing unit under those sections; (b) determination of benefit overpayments and contribution underpayments for reasons other than fraud; (c) recovery of moneys due to the department as a result of clauses (a) and (b); and (d) those special services which are reasonably directed toward assisting the unemployed in returning to suitable work. Whenever the commissioner expends moneys from said contingent account for the proper and efficient administration of the Minnesota employment services law for which funds have not yet been made available by the federal government, such moneys so withdrawn from the contingent account shall be replaced as hereinafter provided. Upon the deposit in the employment services administration fund of moneys which are received in reimbursement of payments made as above provided for said contingent account, the commissioner shall certify to the state treasurer the amount of such reimbursement and thereupon the state treasurer shall transfer such amount from the employment services administration fund to said contingent account. All moneys in this account shall be deposited, administered, and disbursed in the same manner and under the same conditions and requirements as is provided by law for the other special accounts in the state treasury. The state treasurer shall be liable on his official bond for the faithful performance of his duties in connection with the employment services contingent account provided for herein. Notwithstanding anything to the contrary contained herein, on June 30 of each year, except 1982, all amounts in excess of \$300,000 in this account shall be paid over to the unemployment compensation fund established under section 268.05 and administered in accordance with the provisions set forth therein.

Sec. 22. Minnesota Statutes 1983 Supplement, section 268.16, subdivision 2, is amended to read:

Subd. 2. [REPORTS; DELINQUENCIES; PENALTIES.] (1) (a) Any employer who knowingly fails to make and submit to the department of economic security any *contribution report of wages paid by or due from him for insured work in the manner and at the time such the report is required by regulations rules* prescribed by the commissioner shall pay to the department of economic security for the contingent account a penalty in the amount of one and one-half percent of contributions accrued during the period for which *such the report is required*, for each month from and after *such the due date* until *such the report is properly made and submitted to the department of economic security*. In no case shall the amount of the penalty imposed hereby be less than \$5 per month. The maximum penalty imposed hereby shall be \$25 or the amount determined at the rate of 1-1/2 percent per month, whichever is greater. *Any employing unit which fails to make and submit to the commissioner any report, other than one of wages paid or payable for insured work, as and when required by the regulations of the commissioner, shall be subject to a penalty in the sum of \$10 payable to the department of economic security for the contingent account. All such penalties shall be in addition to interest and any other penalties provided for by sections 268.03 to 268.24 and shall be collected as provided by section 268.161.*

(2) (b) If any employing unit required by sections 268.03 to 268.24 to make

and submit contribution reports shall fail to do so within the time prescribed by these sections or by regulations under the authority thereof, or shall make, willfully or otherwise, an incorrect, false or fraudulent contribution report, he shall, on the written demand of the commissioner, make such contribution report, or corrected report, within ten days after the mailing of such written demand and at the same time pay the whole contribution, or additional contribution, due on the basis thereof. If such employer shall fail within that time to make such report, or corrected report, the commissioner shall make for him a report, or corrected report, from his own knowledge and from such information as he can obtain through testimony, or otherwise, and assess a contribution on the basis thereof, which contribution, plus penalties and interest which thereafter accrued (less any payments theretofore made) shall be paid within ten days after the commissioner has mailed to such employer a written notice of the amount thereof and demand for its payment. Any such contribution report or assessment made by the commissioner on account of the failure of the employer to make a report or corrected report shall be prima facie correct and valid, and the employer shall have the burden of establishing its incorrectness or invalidity in any action or proceeding in respect thereto. Whenever such delinquent employer shall file a report or corrected report, the commissioner may, if he finds it substantially correct, substitute it for the commissioner's report.

(c) Any employer who fails to file the wage detail report required by section 268.121 shall pay to the department of economic security for the contingent account a penalty of one-tenth of one percent of total wages paid and wages due but not paid during the period for each month the report is delinquent. The penalty shall not be assessed if the wage detail report is properly made and filed within 30 days after a demand for the report is mailed to the employer's address of record. In no case shall the amount of the penalty, if assessed, be less than \$25. Penalties due under this subdivision may be waived where good cause for late filing is found by the commissioner. Any employer who files the wage detail report required by section 268.121 but knowingly fails to include any of the required information or knowingly enters erroneous information shall be subject to a penalty of \$25 for each individual for whom the information is missing or erroneous.

(d) Any employing unit which fails to make and submit to the commissioner any report, other than a contribution report or wage detail report, as and when required by rule, shall be subject to a penalty in the sum of \$25 payable to the department of economic security for the contingent account.

(e) Penalties provided for in paragraphs (a), (c), and (d) shall be in addition to interest and any other penalties imposed by sections 268.03 to 268.24 and shall be collected as provided by section 268.161.

Sec. 23. [BENEFIT AND WAGE STUDY.]

The commissioner shall conduct a study of benefit claims and wage data reported under section 268.121. The study shall include, but not be limited to, determining and examining cyclical patterns of unemployment, reemployment and benefit duration. The commissioner shall report the results of the study to the 1986 regular session of the legislature.

Sec. 24. [REPEALER.]

Minnesota Statutes 1982, section 268.04, subdivision 30, is repealed.

Minnesota Statutes 1983 Supplement, sections 268.04, subdivision 29, and 268.08, subdivision 9, are repealed.

Sec. 25. [EFFECTIVE DATES.]

Sections 7, 10, and 22 are effective the day following final enactment.

Section 21 is effective July 1, 1984.

Sections 3, 4, 5, 6, 11, 16, 19, 20, and 23 are effective August 1, 1984.

Sections 8 and 9 are effective January 1, 1985.

Sections 1, 2, 12, 13, 14, 15, 17, 18, and 24 are effective July 1, 1985, for benefit years subsequent to June 30, 1985."

Delete the title and insert:

"A bill for an act relating to unemployment compensation; regulating the payment, amount, and eligibility for benefits; setting employer contribution rates; making administrative changes; providing a penalty; amending Minnesota Statutes 1982, sections 268.04, subdivision 24, and by adding subdivisions; 268.06, subdivisions 6 and 8; 268.07, subdivision 2a; 268.10, subdivision 1; 268.121; 268.15, subdivision 3; Minnesota Statutes 1983 Supplement, sections 268.04, subdivisions 2 and 25; 268.06, subdivisions 2 and 3a; 268.061; 268.07, subdivisions 2 and 3; 268.08, subdivision 1; 268.09, by adding a subdivision; 268.10, subdivision 2; 268.12, subdivision 8; and 268.16, subdivision 2; repealing Minnesota Statutes 1982, section 268.04, subdivision 30; Minnesota Statutes 1983 Supplement, sections 268.04, subdivision 29; and 268.08, subdivision 9."

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

REPORT OF VOTE IN COMMITTEE

Pursuant to Rule 60, upon the request of three members, a roll call was taken on the Frederick amendment to S.F. No. 2018.

There were yeas 5 and nays 8, as follows:

Those who voted in the affirmative were:

Mr. Belanger, Mrs. Brataas, Messrs. Frederick, Ramstad and Taylor.

Those who voted in the negative were: Messrs. Diessner, Dicklich, Frank, Kroening, Nelson, Pehler, Vega and Chmielewski.

The Frederick amendment was not adopted.

REPORT OF VOTE IN COMMITTEE

Pursuant to Rule 60, upon the request of three members, a roll call was taken on the recommendation to pass S.F. No. 2018, as amended.

There were yeas 8 and nays 5, as follows:

Those who voted in the affirmative were:

Messrs. Diessner, Dicklich, Frank, Kroening, Nelson, Pehler, Vega and Chmielewski.

Those who voted in the negative were:

Mr. Belanger, Mrs. Brataas, Messrs. Ramstad, Taylor and Frederick.

The bill, as amended, was recommended to pass.

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

S.F. No. 2098: A bill for an act relating to commerce; regulating pipefitters and pipefitting; regulating pressure vessels; amending Minnesota Statutes 1982, sections 183.56; 326.46; 326.47; 326.48; 326.49; and 326.50.

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 326.46, is amended to read:

326.46 [DEPARTMENT OF LABOR AND INDUSTRY TO SUPERVISE STEAM PIPING.]

The department of labor and industry shall supervise all high pressure steam piping in connection with all building used on all projects in this state, and may prescribe minimum standards which shall be uniform.

The department shall employ inspectors and other assistants to carry out the provisions of sections 326.46 to 326.52.

Sec. 2. [326.461] [DEFINITIONS.]

Subdivision 1. [SCOPE.] For the purpose of sections 1 to 7, the following terms have the meanings given them.

Subd. 2. [HIGH PRESSURE PIPING.] “High pressure piping” means all high pressure piping used in the installation of hot water or steam heating boilers, any systems of piping hot water for heating or chilled water for cooling, or any system of high pressure steam piping, but shall not include any high pressure piping under the direct jurisdiction of the United States.

Subd. 3. [MUNICIPALITY.] “Municipality” means a statutory or home rule charter city.

Sec. 3. Minnesota Statutes 1982, section 326.47, is amended to read:

326.47 [CITY MAY PROVIDE FOR INSPECTION; PERMIT APPLICATION, PERMIT, FILING, AND INSPECTION FEES.]

Any city may, by ordinance, prescribe rules and regulations for materials, construction, and inspection of high pressure steamfitting and provide that it shall not be installed in any building except in accordance with plans approved or provided in the ordinances, and that no steamfitting shall be done except minor repairs upon prescribed conditions.

Such local authority as may be designated by any such ordinance for the issuance of such steamfitting permits and such approved plans shall report to the department of labor and industry persistent or wilful violations of the same and any incompetency of a licensed steamfitter observed by such local authority.

Subdivision 1. [REQUIRED PERMIT.] No person, firm, or corporation

shall construct or install high pressure piping systems without first filing an application for a permit with the department of labor and industry or a municipality that has complied with subdivision 2. Projects under construction prior to August 1, 1984, are not required to obtain a permit.

Subd. 2. [PERMISSIVE MUNICIPAL REGULATION.] *A municipality may, by ordinance, prescribe rules for materials, construction, and inspection of high pressure piping systems and provide that it shall not be constructed or installed except in accordance with plans approved by the municipality or as provided in the ordinance. The authority designated by the ordinance for issuing high pressure piping permits and approving plans must report to the department of labor and industry all violations of state high pressure piping standards.*

A municipality may not adopt an ordinance with high pressure piping standards that does not conform to the minimum uniform standards prescribed by the department of labor and industry. The department of labor and industry shall specify by rule the minimum qualifications for municipal inspectors.

Subd. 3. [SURCHARGE.] *For the purpose of defraying the cost of administering sections 326.46 to 326.48, there is imposed on all municipalities that issue high pressure piping permits, except cities of the first class which have a letter of agreement with the Department of Labor and Industry to perform inspections, a surcharge on the filing fees, inspection fees and permits issued after December 31, 1984, in connection with the construction or installation of high pressure piping systems. If the filing, permit, or inspection fee is a fixed amount the surcharge shall be two percent of the filing fees collected or \$10, whichever is greater. If fees are not a fixed amount, the surcharge shall be two percent of the filing fees collected or \$2,000, whichever amount is less.*

Subd. 4. [COLLECTION AND REPORTS.] *Fee surcharges must be collected by each municipality. A municipality having a population greater than 20,000 people must prepare and submit quarterly to the commissioner a report of fees and surcharges collected during the previous quarter. All other municipalities must submit reports and surcharges on a semi-annual basis. The reports must be in a form prescribed by the commissioner and submitted together with a remittance covering surcharges collected. The report and surcharge are due by no later than the 15th day following the close of the period for which surcharges are being reported.*

Subd. 5. [REPORTING OF PERMITS ISSUED.] *Each municipality must submit to the department of labor and industry a copy of each permit issued within ten days after issuance.*

All permits must be issued on forms prescribed by or approved by the department of labor and industry.

Subd. 6. [FILING AND INSPECTION FEES.] *The department of labor and industry must charge a filing fee set by the commissioner under section 16A.128 for all applications for permits to construct or install high pressure piping systems. The fee for inspection of high pressure piping system construction or installation shall be set by the commissioner under section 16A.128. This subdivision does not apply where a permit is issued by a municipality complying with subdivision 2.*

Sec. 4. Minnesota Statutes 1982, section 326.48, is amended to read:

326.48 [~~STEAMFITTERS PIPEFITTERS MUST BE LICENSED.~~]

Subdivision 1. No person, firm, or corporation shall engage in or work at the business of a contracting ~~steamfitter~~ *pipefitter* or journeyman ~~steamfitter~~ *pipefitter* unless licensed to do so by the department of labor and industry. ~~No license shall be required for minor repairs on existing installations; provided the repairs shall be made in compliance with the prescribed minimum standards of the department of labor and industry.~~ A contracting ~~steamfitter~~ *pipefitter* may also work as a journeyman ~~steamfitter~~ *pipefitter*.

No person, firm, or corporation shall engage in the business of installing high pressure ~~steam~~ piping, nor install high pressure ~~steam~~ piping in connection with the dealing in and selling of high pressure ~~steam~~ *pipe* material and supplies, unless, at all times, a licensed ~~steamfitter~~ *pipefitter*, who shall be responsible for proper installation, is in charge of the high pressure ~~steamfit-~~ *ting pipefitting* work of the person, firm, or corporation.

The department of labor and industry shall prescribe rules, not inconsistent herewith, for the examination and licensing of ~~steamfitting~~ *pipefitting*.

An employee performing the duties of inspector for the department of labor and industry in regulating ~~steamfitting~~ *pipefitting* shall not receive time credit for the inspection duties when making an application for a license required by this section.

Subd. 2. [~~CONTRACTING STEAMFITTER'S PIPEFITTER'S LI-~~
~~CENSE; BOND AND INSURANCE REQUIREMENTS.~~] The applicant for a contracting ~~steamfitter~~ *pipefitter* license may give bond to the state in the total penal sum of \$2,000 conditioned upon the faithful and lawful performance of all work entered upon by him within the state. The bond shall be for the benefit of persons injured or suffering financial loss by reason of failure of performance. The term of the bond shall be concurrent with the term of the license. The bond shall be filed with the secretary of state of the state and shall be in lieu of all other license bonds to any political subdivision. The bond shall be written by a corporate surety licensed to do business in the state.

In addition, each applicant for a contracting ~~steamfitter's~~ *pipefitter's* license or renewal thereof, may provide evidence of public liability insurance, including products liability insurance, with limits of at least \$50,000 per person and \$100,000 per occurrence and property damage insurance with limits of at least \$10,000. The insurance shall be written by an insurer licensed to do business in the state and each licensed contracting ~~steamfitter~~ *pipefitter* shall maintain on file with the department, a certificate evidencing the insurance which provides that the insurance shall not be cancelled without the insurer first giving 15 days written notice to the department. The term of the insurance shall be concurrent with the term of the license. The certificate shall be in lieu of all other certificates required by any political subdivision for licensing purposes.

Subd. 3. [~~BOND AND INSURANCE EXEMPTION.~~] A contracting ~~steamfitter~~ *pipefitter* who is an employee of a contracting ~~steamfitter~~ *pipefitter* or who is an employee engaged within the limits of property owned, leased and operated, or maintained by ~~his~~ *the* employer, in the maintenance

and repair of high pressure steam pipe work, equipment, or facilities owned or leased by the employer, shall not be required to meet the bond and insurance requirements of subdivision 2.

Subd. 4. [ALTERNATIVE COMPLIANCE.] Compliance with the local bond requirements of a locale within which work is to be performed shall be deemed to satisfy the bond and insurance requirements of subdivision 2.

Subd. 5. [FEE.] The state department of labor and industry may charge each applicant for a contracting ~~steamfitter~~ pipefitter license or for a renewal of a contracting ~~steamfitter~~ pipefitter license and an additional fee commensurate with the cost of administering the bond and insurance requirements of subdivision 2.

Sec. 5. Minnesota Statutes 1982, section 326.50, is amended to read:

326.50 [APPLICATION; FEES.]

Application for a ~~steamfitter's~~ pipefitter's license shall be made to the department of labor and industry, with fees. Unless entitled to a renewal, the applicant shall be licensed only after passing a satisfactory examination by the examiners showing fitness. Fees for journeymen shall be \$25 for examination and \$15 for renewal, and for master ~~steamfitters~~ \$75 pipefitters for examination and \$60 for renewal shall be set by the commissioner under section 16A.128. Licenses shall expire December 31, but may be renewed upon application made the following January or February; but, if in February, only upon payment of an additional fee of \$5 set by the commissioner under section 16A.128.

The commissioner may issue a temporary license to a qualified individual with specific skills that a contractor or employer requires to construct or install a high pressure piping system. A temporary license must be renewed every 12 months. No individual may hold a temporary license for high pressure pipefitting for more than 36 months. The fee for a temporary license and for renewal of a temporary license shall be set by the commissioner under section 16A.128.

Sec. 6. [175.008] [CODE ENFORCEMENT ADVISORY COUNCIL; CREATION.]

The commissioner shall appoint an 11 member advisory council on code enforcement. The terms, compensation, and removal of council members is governed by section 15.059. The council shall not expire as provided by section 15.059. The council shall advise the commissioner on matters within the council's expertise or under the regulation of the commissioner.

Sec. 7. [REPEALER.]

Minnesota Statutes 1982, section 326.49, is repealed."

Delete the title and insert:

"A bill for an act relating to commerce; regulating pipefitters and pipefitting; regulating pressure vessels; amending Minnesota Statutes 1982, sections 326.46; 326.47; 326.48; and 326.50; proposing new law coded in Minnesota Statutes, chapters 175 and 326; repealing Minnesota Statutes 1982, section 326.49."

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. 1687: A bill for an act relating to local government; requiring every political subdivision to establish equitable compensation relationships among its employees; 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. [471.991] [DEFINITIONS.]

Subdivision 1. [TERMS.] For the purposes of this act, the following terms have the meanings given them.

Subd. 2. [BALANCED CLASS.] “Balanced class” means any class in which no more than 80 percent of the members are male and no more than 70 percent of the members are female.

Subd. 3. [COMPARABLE WORK VALUE.] “Comparable work value” means the value of work measured by the skill, effort, responsibility, and working conditions normally required in the performance of the work.

Subd. 4. [CLASS.] “Class” means one or more positions that have similar duties, responsibilities, and general qualifications necessary to perform the duties, with comparable selection procedures used to recruit employees, and use of the same compensation schedule.

Subd. 5. [EQUITABLE COMPENSATION RELATIONSHIP.] “Equitable compensation relationship” means that the primary consideration in negotiating, establishing, recommending, and approving total compensation is comparable work value in relationship to other employee positions within the political subdivision.

Subd. 6. [FEMALE-DOMINATED CLASS.] “Female-dominated class” means any class in which 70 percent or more of the members are female.

Subd. 7. [MALE-DOMINATED CLASS.] “Male-dominated class” means any class in which 80 percent or more of the members are male.

Subd. 8. [POSITION.] “Position” means a group of current duties and responsibilities assigned or delegated by a supervisor to an individual.

Sec. 2. [471.992] [EQUITABLE COMPENSATION RELATIONSHIPS.]

Subject to sections 179.61 to 179.76 but notwithstanding any other law to the contrary, every political subdivision of this state is encouraged to establish and maintain equitable compensation relationships between female-dominated, male-dominated, and balanced classes of employees. In all interest arbitration held pursuant to section 179.72, subdivisions 6 and 7, the arbitrator shall follow the equitable compensation relationship standards established under sections 1 to 9.

Sec. 3. [471.993] [COMPENSATION RELATIONSHIPS OF POSITIONS.]

Subdivision 1. [ASSURANCE OF REASONABLE RELATIONSHIP.] In preparing management negotiation positions for compensation established through collective bargaining under chapter 179 and in establishing, recommending, and approving compensation plans for employees of political subdivisions not represented by an exclusive representative under chapter 179, the respective political subdivision as the public employer, as defined in section 179.63, subdivision 4, or, where appropriate, the Minnesota merit system, is encouraged to assure that:

(1) compensation for positions in the classified civil service, unclassified civil service, and management bear reasonable relationship to one another;

(2) compensation for positions in the classified civil service, unclassified civil service, and management bear reasonable relationship to similar positions outside of that particular political subdivision's employment; and

(3) compensation for positions within the classified civil service, unclassified civil service, and management bear reasonable relationship among related job classes and among various levels within the same occupational group.

Subd. 2. [REASONABLE RELATIONSHIP DEFINED.] For purposes of subdivision 1, compensation for positions bear "reasonable relationship" to one another if:

(1) the compensation for positions which require comparable skill, effort, responsibility, working conditions, and other relevant work related criteria is comparable; and

(2) the compensation for positions which require differing skill, effort, responsibility, working conditions, and other relevant work related criteria is proportional to the skill, effort, responsibility, working conditions, and other relevant work related criteria required.

Sec. 4. [471.994] [JOB EVALUATION SYSTEM.]

Every political subdivision is encouraged to use a job evaluation system in order to determine the comparable work value. The political subdivision may use the system of some other public employer in the state. Each political subdivision shall meet and confer with the exclusive representatives of their employees on the development or selection of a job evaluation system.

Sec. 5. [471.995] [REPORT AVAILABILITY.]

Every political subdivision shall submit a report containing the results of the job evaluation system to the exclusive representatives of their employees to be used by both parties in contract negotiations. At a minimum, the report to each exclusive representative shall identify the female-dominated classes in the political subdivision for which compensation inequity exists, based on the comparable work value.

Sec. 6. [471.996] [PRIVATE DATA.]

The results of any job evaluation system established under section 4 and the reports compiled under section 5 shall be considered personnel data as defined in section 13.43, subdivision 1, and treated as private data under sec-

tion 13.43, subdivisions 4 and 5, until July 31, 1987. The director of mediation services is authorized to release the job evaluation system results and reports to labor organizations as provided under section 13.43, subdivision 6.

Sec. 7. [471.997] [HUMAN RIGHTS ACT EXCEPTION.]

Neither the commissioner of human rights nor any state court shall use or consider the results of any job evaluation system established under section 4 and the reports compiled under section 5 in any proceeding or action commenced before August 1, 1987 alleging discrimination under chapter 363.

Sec. 8. [471.998] [REPORT TO COMMISSIONER.]

Subdivision 1. [REPORT ON IMPLEMENTATION PLAN; CONTENTS.] Every political subdivision shall report to the commissioner of employee relations on its plan for implementation of sections 4 and 5. Each report shall include:

(1) the title of each job class which the political subdivision has established;

(2) the following information for each class as of July 1, 1984:

(a) the number of incumbents;

(b) the percentage of incumbents who are female;

(c) the comparable work value of the class, as determined under the system chosen under section 4; and

(d) the minimum and maximum monthly salary for the class;

(3) a description of the job evaluation system used by the political subdivision; and

(4) a plan for establishing equitable compensation relationships between female-dominated and male-dominated classes, including:

(a) identification of classes for which a compensation inequity exists based on the comparable work value;

(b) a timetable for implementation of pay equity; and

(c) the estimated cost of implementation.

Subd. 2. [TECHNICAL ASSISTANCE.] The commissioner of employee relations shall, upon request of a political subdivision, provide technical assistance in completing the required reports.

Sec. 9. [471.999] [REPORT TO LEGISLATURE.]

The commissioner of employee relations shall provide a report to the legislature by January 1, 1986. The commissioner's report shall include a list of political subdivisions which did not comply with the reporting requirements of this section."

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "requiring a report to the legislature;"

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. 2075: A bill for an act relating to education; prohibiting a school district from commencing the school year prior to Labor Day; amending Minnesota Statutes 1982, section 126.12.

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

Page 1, after line 22, insert:

“Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective July 1, 1985.”

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

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

S.F. No. 1708: A bill for an act relating to the legislature; extending the laws on post-auditing, attribution of published documents, ethics, and open meetings now relating just to the executive branch to include the legislative branch; amending Minnesota Statutes 1982, sections 3.971, subdivision 1; 16.81; 43A.38; and 471.705, subdivision 1.

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

Pages 1 to 3, delete sections 1 and 2

Page 3, line 9, strike “IN THE EXECUTIVE”

Page 3, line 10, strike “BRANCH”

Page 3, line 28, delete “, *other than*”

Page 3, line 29, delete “*independent contractors,*”

Pages 6 and 7, delete section 4

Renumber the sections in sequence

Amend the title as follows:

Page 1, delete line 3

Page 1, line 4, delete “, and open meetings”

Page 1, line 6, delete “sections 3.971,” and insert “section 43A.38.”

Page 1, delete lines 7 and 8

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

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

S.F. No. 1437: A bill for an act relating to elections; requiring employers to

pay employees during their service as election judges; amending Minnesota Statutes 1983 Supplement, section 204B.195.

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 1983 Supplement, section 275.50, subdivision 5, is amended to read:

Subd. 5. Notwithstanding any other law to the contrary for taxes levied in 1983 payable in 1984 and subsequent years, “special levies” means those portions of ad valorem taxes levied by governmental subdivisions to:

(a) satisfy judgments rendered against the governmental subdivision by a court of competent jurisdiction in any tort action, or to pay the costs of settlements out of court against the governmental subdivision in a tort action when substantiated by a stipulation for the dismissal of the action filed with the court of competent jurisdiction and signed by both the plaintiff and the legal representative of the governmental subdivision, but only to the extent of the increase in levy for such judgments and out of court settlements over levy year 1970, taxes payable in 1971;

(b) pay the costs of complying with any written lawful order initially issued prior to January 1, 1977 by the state of Minnesota, or the United States, or any agency or subdivision thereof, which is authorized by law, statute, special act or ordinance and is enforceable in a court of competent jurisdiction, or any stipulation agreement or permit for treatment works or disposal system for pollution abatement in lieu of a lawful order signed by the governmental subdivision and the state of Minnesota, or the United States, or any agency or subdivision thereof which is enforceable in a court of competent jurisdiction. The commissioner of revenue shall in consultation with other state departments and agencies, develop a suggested form for use by the state of Minnesota, its agencies and subdivisions in issuing orders pursuant to this subdivision;

(c) pay the costs to a governmental subdivision for their minimum required share of any program otherwise authorized by law for which matching funds have been appropriated by the state of Minnesota or the United States, excluding the administrative costs of public assistance programs, to the extent of the increase in levy over the amount levied for the local share of the program for the taxes payable year 1971. This clause shall apply only to those programs or projects for which matching funds have been designated by the state of Minnesota or the United States on or before September 1, of the previous year and only when the receipt of these matching funds is contingent upon the initiation or implementation of the project or program during the year in which the taxes are payable or those programs or projects approved by the commissioner;

(d) pay the costs not reimbursed by the state or federal government, of payments made to or on behalf of recipients of aid under any public assistance program authorized by law, and the costs of purchase or delivery of social services. Except for the costs of general assistance as defined in section 256D.02, subdivision 4, general assistance medical care under section 256D.03 and the costs of hospital care pursuant to section 261.21, the ag-

gregate amounts levied pursuant to this clause are subject to a maximum increase of 18 percent over the amount levied for these purposes in the previous year;

(e) pay the costs of principal and interest on bonded indebtedness or to reimburse for the amount of liquor store revenues used to pay the principal and interest due in the year preceding the year for which the levy limit is calculated on municipal liquor store bonds;

(f) pay the costs of principal and interest on certificates of indebtedness, except tax anticipation or aid anticipation certificates of indebtedness, issued for any corporate purpose except current expenses or funding an insufficiency in receipts from taxes or other sources or funding extraordinary expenditures resulting from a public emergency;

(g) fund the payments made to the Minnesota state armory building commission pursuant to section 193.145, subdivision 2, to retire the principal and interest on armory construction bonds;

(h) provide for the bonded indebtedness portion of payments made to another political subdivision of the state of Minnesota;

(i) pay the amounts required to compensate for a decrease in manufactured homes property tax receipts to the extent that the governmental subdivision's portion of the total levy in the current levy year, pursuant to section 273.13, subdivision 3, as amended, is less than the distribution of the manufactured homes tax to the governmental subdivision pursuant to section 273.13, subdivision 3, in calendar year 1971;

(j) pay the amounts required, in accordance with section 275.075, to correct for a county auditor's error of omission but only to the extent that when added to the preceding year's levy it is not in excess of an applicable statutory, special law or charter limitation, or the limitation imposed on the governmental subdivision by sections 275.50 to 275.56 in the preceding levy year;

(k) pay amounts required to correct for an error of omission in the levy certified to the appropriate county auditor or auditors by the governing body of a city or town with statutory city powers in a levy year, but only to the extent that when added to the preceding year's levy it is not in excess of an applicable statutory, special law or charter limitation, or the limitation imposed on the governmental subdivision by sections 275.50 to 275.56 in the preceding levy year;

(l) pay the increased cost of municipal services as the result of an annexation or consolidation ordered by the Minnesota municipal board but only to the extent and for the levy years as provided by the board in its order pursuant to section 414.01, subdivision 15. Special levies authorized by the board shall not exceed 50 percent of the levy limit base of the governmental subdivision and may not be in effect for more than three years after the board's order;

(m) pay the increased costs of municipal services provided to new private industrial and nonresidential commercial development, to the extent that the extension of such services are not paid for through bonded indebtedness or special assessments, and not to exceed the amount determined as follows.

The governmental subdivision may calculate the aggregate of:

(1) The increased expenditures necessary in preparation for the delivering of municipal services to new private industrial and nonresidential commercial development, but limited to one year's expenditures one time for each such development;

(2) The amount determined by dividing the overall levy limitation established pursuant to sections 275.50 to 275.56, and exclusive of special levies and special assessments, by the total taxable value of the governmental subdivision, and then multiplying this quotient times the total increase in assessed value of private industrial and nonresidential commercial development within the governmental subdivision. For the purpose of this clause, the increase in the assessed value of private industrial and nonresidential commercial development is calculated as the increase in assessed value over the assessed value of the real estate parcels subject to such private development as most recently determined before the building permit was issued. In the fourth levy year subsequent to the levy year in which the building permit was issued, the increase in assessed value of the real estate parcels subject to such private development shall no longer be included in determining the special levy.

The aggregate of the foregoing amounts, less any costs of extending municipal services to new private industrial and nonresidential commercial development which are paid by bonded indebtedness or special assessments, equals the maximum amount that may be levied as a "special levy" for the increased costs of municipal services provided to new private industrial and nonresidential commercial development. In the levy year following the levy year in which the special levy made pursuant to this clause is discontinued, one-half of the amount of that special levy made in the preceding year shall be added to the permanent levy base of the governmental subdivision;

(n) recover a loss or refunds in tax receipts incurred in non-special levy funds resulting from abatements or court action in the previous year pursuant to section 275.48;

(o) pay amounts required by law to be paid to pay the interest on and to reduce the unfunded accrued liability of public pension funds in accordance with the actuarial standards and guidelines specified in sections 356.215 and 356.216 reduced by 106 percent of the amount levied for that purpose in 1976, payable in 1977. For the purpose of this special levy, the estimated receipts expected from the state of Minnesota pursuant to sections 69.011 to 69.031 or any other state aid expressly intended for the support of public pension funds shall be considered as a deduction in determining the required levy for the normal costs of the public pension funds. No amount of these aids shall be considered as a deduction in determining the governmental subdivision's required levy for the reduction of the unfunded accrued liability of public pension funds;

(p) the amounts allowed under section 174.27 to establish and administer a commuter van program;

(q) pay the costs of financial assistance to local governmental units and certain administrative, engineering, and legal expenses pursuant to Laws 1979, chapter 253, section 3;

(r) compensate for revenue lost as a result of abatements or court action pursuant to sections 270.07, 270.17 or 278.01 due to a reassessment ordered by the commissioner of revenue pursuant to section 270.16;

(s) pay the total operating cost of a county jail as authorized in section 641.01. If the county government utilizes this special levy, then any amount levied by the county government in the previous year for operating its county jail and included in its previous year's levy limitation computed pursuant to section 275.51 shall be deducted from the current levy limitation;

(t) pay the costs of implementing section 18.023, including sanitation and reforestation; ~~and~~

(u) pay the estimated cost for the following calendar year of the county's share of funding the Minnesota cooperative soil survey; *and*

(v) pay the cost of compensating election judges for services performed as required under section 204B.31, clause (d).

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective for taxes levied in 1984 and thereafter, payable in 1985 and thereafter."

Amend the title as follows:

Page 1, delete lines 2 to 5 and insert:

"relating to taxation; providing a special levy for the cost of compensating election judges; amending Minnesota Statutes 1983 Supplement, section 275.50, subdivision 5."

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

S.F. No. 1386: A bill for an act relating to labor; authorizing certain payroll deductions; amending Minnesota Statutes 1982, section 181.06, subdivision 2.

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

Page 1, line 18, after "*federally*" insert "*or state*"

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

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

S.F. No. 2131: A bill for an act relating to elections; prohibiting certain inquiries of voters at or near the polls; amending Minnesota Statutes 1982, section 204C.06, subdivision 1.

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

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

S.F. No. 1796: A bill for an act relating to elections; changing the time for filing for school district offices; amending Minnesota Statutes 1982, section 123.32, 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. 595: A bill for an act relating to insurance; holding companies; modifying the commissioner's jurisdiction with respect to the interests of shareholders; making miscellaneous style and form changes; amending Minnesota Statutes 1982, section 60D.02, subdivisions 1, 2, and 4; repealing Minnesota Statutes 1982, section 60D.02, subdivision 5.

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

Page 1, lines 13 and 23, reinstate the stricken "make" and delete "commence"

Page 2, line 4, reinstate the stricken "hereinafter" and delete "in subdivision"

Page 2, line 5, delete "4"

Page 3, line 10, after "sell" insert ", transfer or exchange"

Page 4, line 6, delete "the proposed form of"

Page 4, line 9, reinstate the stricken "(if distributed)" and delete "the proposed form"

Page 5, lines 10 to 25, 35 and 36, reinstate the stricken language and delete the new language

Page 5, line 33, after "sell" insert ", transfer or exchange"

Page 6, line 4, reinstate the stricken "in" and delete "contrary to"

Page 6, line 26, delete "section" and insert "sections 60D.01, subdivision 8; and"

Page 6, line 26, delete "is" and insert "are"

Amend the title as follows:

Page 1, line 7, delete "section" and insert "sections 60D.01, subdivision 8; and"

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. 1732: A bill for an act relating to financial institutions; author-

izing industrial loan and thrift companies to act as trustees or custodians of certain retirement accounts; authorizing the removal of the bond requirement on the advertisement and sale of certain evidences of indebtedness; allowing special powers without inclusion in articles of incorporation; providing certain conventional loans on the same terms as other lenders; authorizing open-end loans; providing an alternative to filing fee charges; authorizing the deposit of real estate broker and salesperson trust funds in industrial loan and thrifts; amending Minnesota Statutes 1982, sections 47.75, subdivision 1; 48.151; 53.04, subdivision 1; 53.04, by adding a subdivision; 56.131, subdivision 2; 82.24, subdivisions 1, 2, and 6; Minnesota Statutes 1983 Supplement, section 53.04, subdivision 3a; proposing new law coded in Minnesota Statutes, chapter 56.

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

Pages 2 and 3, delete section 2

Page 3, line 18, strike "(3)" and insert "(7)"

Page 4, after line 21, insert:

"Sec. 5. Minnesota Statutes 1983 Supplement, section 53.05, is amended to read:

53.05 [POWERS, LIMITATION.]

No industrial loan and thrift company may do any of the following:

(1) carry commercial or demand banking accounts; use the word "bank" or "banking" in its corporate name; operate as a savings bank;

(2) have outstanding at any one time certificates of indebtedness, savings accounts, and savings deposits, exclusive of those held by the company, as security for loans made by it of more than seven times the sum of the contributed capital and appropriated reserves of the company until July 1, 1985, or the date an industrial loan and thrift company obtains a commitment for insurance or guarantee of accounts acceptable to the commissioner as required by section 53.10, whichever is earlier, and thereafter 15 times the sum of contributed capital and appropriated reserves of the company;

(3) accept trusts, *except as provided in section 1*, or act as guardian, administrator, or judicial trustee in any form;

(4) deposit any of its funds in any banking corporation, unless that corporation has been designated by vote of a majority of directors or of the executive committee present at a meeting duly called, at which a quorum was in attendance;

(5) change any allocation of capital made pursuant to section 53.03 or reduce or withdraw in any way any portion of the contributed capital and appropriated reserves without prior written approval of the commissioner of banks;

(6) take any instrument in which blanks are left to be filled in after execution; or

(7) lend money in excess of ten percent of its contributed capital and appropriated reserves to a person primarily liable. "Contributed capital and

appropriated reserves” means the total of the company’s contributed capital and appropriated reserves at all its authorized locations.

If a loan has been made to a person primarily liable and payments have been made on a certificate of indebtedness securing it, the amount of the payments may be added to the limitation contained in this clause for the purpose of determining whether additional loans may be made to that person.”

Page 4, line 28, after “56.131” insert “, subdivision 1, paragraph (a), clause (2)”

Page 4, line 29, after “licensee” insert “pursuant to written agreement”

Page 4, line 32, after “(2)” insert “the borrower has the option of paying the balance in full at any time without penalty; (3)”

Page 4, line 35, delete “3” and insert “4”

Page 5, line 9, after the period, insert “The daily balance is figured by taking the beginning balance of the account each day, adding any new advances, subtracting any principal payments or credits, and any unpaid interest. The average daily balance is calculated by adding together all of the daily balances for the billing cycle, and the sum is then divided by the total number of days in the billing cycle.”

Page 5, line 13, delete “which”

Page 5, line 14, delete everything before the period and insert “after such time as the outstanding balance exceeds \$2,700. A subsequent reduction in the balance below \$2,700 has no effect on the lien”

Page 5, line 23, delete the comma and insert a period

Page 5, delete lines 24 to 27

Page 6, line 1, after “the” insert “amount of the” and delete “must be”

Page 6, line 2, delete “sufficient to pay” and insert “may not exceed”

Page 6, line 4, delete “, whichever is less,”

Page 6, line 12, after “any” insert “credit”

Page 6, line 14, delete the second “and”

Page 6, line 15, delete everything before the period

Page 6, line 19, delete the comma and delete everything after “is” and insert “required”

Page 6, line 20, delete everything before the comma

Page 6, line 22, delete the period and insert “, provided that the line of credit is not secured by real estate occupied as the homestead as defined in chapter 510. Prior to any licensee taking a lien upon the borrower’s homestead, as defined in chapter 510, as security for any open-end loan pursuant to subdivision 2, the borrower shall be provided with a statement in substantially the following form, in bold face type of a minimum size of 12 points, signed and dated by the borrower at the time of the execution of the contract surrendering the homestead exemption, immediately adjacent to a listing of

the homestead property: "I understand that some or all of the above real estate is normally protected by law from the claims of creditors, and I voluntarily give up my right to that protection for the above listed property with respect to claims arising out of this contract.""

Page 7, line 19, after "company" insert "with deposit liabilities"

Page 7, line 35, after "53" insert "with deposit liabilities"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 15, delete "48.151;"

Page 1, line 18, delete "section" and insert "sections" and after the semicolon, insert "and 53.05;"

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. 1978: A bill for an act relating to the metropolitan airports commission; defining its relationship to the legislature and the metropolitan council; proposing new law coded in Minnesota Statutes, chapter 473; repealing Minnesota Statutes 1982, sections 473.611, subdivision 5; and 473.621, subdivision 6.

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 473.611, subdivision 5, is amended to read:

Subd. 5. Any *long-term comprehensive* plans adopted by the commission for the betterment and enlargement of existing airports, for the acquisition and construction of new airports, and for the categories of use of airports owned or controlled by the commission shall be consistent with the development guide of the metropolitan council.

Sec. 2. Minnesota Statutes 1982, section 473.621, is amended by adding a subdivision to read:

Subd. 1a. [RELATIONSHIP TO LEGISLATURE.] The commission shall be held accountable to the legislature in its activities, plans, policies, and programs. It shall report each session to appropriate committees of the legislature as to its activities, plans, policies, and programs and shall make other reports and recommendations which the legislature or its committees deem appropriate.

Sec. 3. Minnesota Statutes 1982, section 473.621, subdivision 6, is amended to read:

Subd. 6. All Minneapolis-St. Paul International Airport capital projects of the commission requiring the expenditure of more than \$5,000,000 shall be

submitted to the metropolitan council for review. All other capital projects of the commission requiring the expenditure of more than \$2,000,000 shall be submitted to the metropolitan council for review. No such project which has a significant effect on the orderly and economic development of the metropolitan area may be commenced without the approval of the metropolitan council.

Sec. 4. Minnesota Statutes 1982, section 473.621, is amended by adding a subdivision to read:

Subd. 7. [CAPITAL PROJECTS.] For purposes of this section, capital projects having a significant effect on the orderly and economic development of the metropolitan area shall be deemed to be the following:

- (a) the location of a new airport,*
- (b) a new runway at an existing airport,*
- (c) a runway extension at an existing airport,*
- (d) runway strengthening other than routine maintenance to determine compliance with federal air regulation part 36,*
- (e) construction or expansion of passenger handling or parking facilities which would permit a 25 percent or greater increase in passenger enplanement levels,*
- (f) land acquisition associated with any of the above items or which would cause relocation of residential or business activities.*

Sec. 5. [STATE PLANNING AGENCY; REPORT.]

The director of the state planning agency, in consultation with the metropolitan council and the metropolitan airports commission, shall prepare a report recommending specific definitions of the terms "metropolitan significance" and "significant effect on the orderly and economic development of the metropolitan area" as those terms are used in laws governing the operation of the metropolitan airports commission. The report shall be delivered to appropriate committees of the legislature, and shall become effective upon approval by law no later than June 1, 1985.

Sec. 6. [REPEALER.]

Section 4 is repealed effective July 1, 1985, if the report required in section 5 is approved by law by June 1, 1985.

Sec. 7. [APPLICATION.]

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

Sec. 8. [EFFECTIVE DATE.]

This act is effective July 1, 1984."

Amend the title as follows:

Page 1, delete lines 4 to 7 and insert "metropolitan council; amending Minnesota Statutes 1982, sections 473.611, subdivision 5; 473.621, subdivision 6, and by adding subdivisions."

And when so amended the bill do pass. Mr. Moe, D.M. questioned the

reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

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

S.F. No. 2069: A bill for an act relating to local government; requiring payments as a condition of annexations; amending Minnesota Statutes 1982, section 414.031, subdivision 4.

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 414.01, is amended by adding a subdivision to read:

Subd. 16. In proceedings before the board, the board has the authority to require that representatives from the involved city, town, and county shall meet together to discuss the resolution of issues raised at the hearing before the board and other issues of mutual concern. The board may require that the parties meet at least three times over the course of a 60-day period and the board shall designate a person who shall immediately after the last meeting make a report to the board on the results of the meetings."

Page 3, line 9, delete "Each annexation shall be conditioned on" and insert "Upon determination by the board an annexation may be conditioned on the payment from the municipality to the town of an amount not to exceed six times the property tax revenue derived by the town from the annexed territory in the year of annexation. The municipality shall complete the payment as determined by the board in six or fewer years."

Page 3, delete lines 10 to 12

Page 3, line 13, delete "complete the payment in six or fewer years."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "authorizing the Minnesota municipal board to require cities, towns, and counties to meet and discuss certain issues;"

Page 1, line 4, delete "section" and insert "sections 414.01, by adding a subdivision; and"

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. 2091: A bill for an act relating to cities; regulating the residence of city employees; proposing new law coded in Minnesota Statutes, chapter 418.

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 415.16, is amended to read:

415.16 [EMPLOYMENT; RESIDENCE REQUIREMENT.]

Notwithstanding any contrary provision of other law, home rule charter, ordinance or resolution, no statutory or home rule charter city or county ~~located in the area defined in section 473F.02, subdivision 2,~~ shall require that a person be a resident of the city or county as a condition of employment by the city or county except for positions which by their duties require the employee to live on the premises of the person's place of employment.”

Delete the title and insert:

“A bill for an act relating to local government; prohibiting cities and counties from establishing residency requirements as a condition of employment; amending Minnesota Statutes 1982, section 415.16.”

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. 2017: A bill for an act relating to metropolitan government; specifying the duties of the chair, chief administrator, and commission relating to employment decisions; amending Minnesota Statutes 1982, section 473.141, subdivisions 9, 11, and 12; Minnesota Statutes 1983 Supplement, section 473.141, subdivision 3.

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

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1982, section 473.503, is amended to read:

473.503 [METROPOLITAN WASTE CONTROL COMMISSION; ESTABLISHMENT; ADMINISTRATION.]

A metropolitan waste control commission is established and ~~shall be~~ is organized, structured and administered as provided in section 473.141, *except as otherwise provided in this section. The commission may establish in the unclassified service the positions of internal auditor, general counsel, and policy analyst. Persons appointed to these positions must be supervised by and report directly to the commission. Decisions on the appointment, promotion, demotion, suspension, and removal of persons filling these positions must be made by the chair upon approval of the commission. The board shall act within 30 days on employment decisions recommended by the chair. The internal auditor and the general counsel may be removed by the commission only upon a showing of just cause, as defined in section 43A.33, subdivision 2. The commission may establish subordinate positions in the classified service to be filled and supervised directly by and report directly to the internal auditor, general counsel, or policy analyst.*

Sec. 2.

Section 1 is effective the day following final enactment in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington."

Delete the title and insert:

"A bill for an act relating to the metropolitan waste control commission; establishing positions in the unclassified civil service; amending Minnesota Statutes 1982, section 473.503."

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

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

S.F. No. 1914: A bill for an act relating to airports; metropolitan government; requiring reports to pollution control agency concerning noise abatement for the Minneapolis-St. Paul airport; amending Minnesota Statutes 1982, section 473.612.

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

Page 1, line 16, strike "definite"

Page 1, line 17, strike "specific"

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. 1930: A bill for an act relating to Ramsey county; providing for the creation, organization, powers and duties of a personnel system; amending Minnesota Statutes 1982, section 383A.41, subdivision 5; proposing new law coded in Minnesota Statutes, chapter 383A; repealing Minnesota Statutes 1982, sections 383A.29; 383A.30; 383A.31; and Minnesota Statutes 1983 Supplement, section 383A.28.

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

Delete everything after the enacting clause and insert:

"Section 1. [383A.282] [DEFINITIONS.]

Subdivision 1. [INTERPRETATION.] Unless the language or context indicates that a different meaning is intended, the following terms, for the purpose of this act and rules promulgated under it, have the meanings given them in this section.

Subd. 2. [ALLOCATION.] "Allocation" means the assignment of an individual position to an appropriate class on the basis of the kind, difficulty, and responsibility of the work performed in the position.

Subd. 3. [APPLICANT.] "Applicant" means a person who has completed an application for employment and has submitted it to the department of

personnel or other appointing authority who has been delegated the authority to recruit and examine individuals for positions in the county personnel system.

Subd. 4. [APPOINTING AUTHORITY.] "Appointing authority" means an elected official, the head of a board, department, division, or commission, or person or group of persons who by law, rule or resolution of the county board has been granted the authority to make appointments to positions in the county personnel system.

Subd. 5. [APPOINTMENT.] "Appointment" means the act of filing a vacancy by placement of a person in the county personnel system through selection from an eligible list or a noncompetitive or qualifying process including transfer, demotion, or reinstatement.

Subd. 6. [CERTIFICATION.] "Certification" means the referral of names from an eligible list to an appointing authority to fill vacant positions in the classified service.

Subd. 7. [CLASS.] "Class" means one or more positions sufficiently similar with respect to duties and responsibilities that the same descriptive title may be used with clarity to designate each position allocated to the class, that the same general qualifications are needed for performance of the duties of the class, that the same tests of fitness may be used to recruit employees, and that the same schedule of pay can be applied with equity to all positions in the class under the same or substantially the same employment conditions.

Subd. 8. [CLASSIFICATION.] "Classification" means the process of grouping positions into classes with respect to similar duties and responsibilities of the positions.

Subd. 9. [CLASSIFIED SERVICE.] "Classified service" means all positions existing on the effective date of this act or subsequently created in the county personnel system and not specifically designated as unclassified positions pursuant to section 6.

Subd. 10. [COMPETITIVE OPEN EXAMINATION.] "Competitive open examination" means that eligibility to compete in an examination is extended to all interested qualified persons.

Subd. 11. [COMPETITIVE PROMOTIONAL EXAMINATION.] "Competitive promotional examination" means that eligibility to compete in an examination is limited to qualified county employees by department.

Subd. 12. [COUNTY BOARD.] "County board" means the Ramsey county board of commissioners.

Subd. 13. [COUNTY PERSONNEL SYSTEM.] "County personnel system" means all employees in the departments or agencies of county government or joint city and county agencies which receive their funding in whole or in part from the county board, including employees of:

- (a) elected officials;
- (b) the Saint Paul Ramsey medical center commission;
- (c) the clerk of district court; and
- (d) the municipal court;

but not including:

- (a) district and municipal court judges;*
- (b) court reporters employed by district and municipal court judges;*
- (c) court commissioners;*
- (d) the public defender;*
- (e) employees of the examiner of titles, agricultural extension service, humane society, historical society, and soil and water conservation district; and*
- (f) other employees not subject to a county personnel system because of state law.*

Subd. 14. [DIRECTOR.] "Director" means the director of the department of personnel or the director's delegated representative.

Subd. 15. [ELIGIBLE.] "Eligible" means a person whose name is on an eligible list.

Subd. 16. [ELIGIBLE LIST.] "Eligible list" means a list of candidates eligible for employment in a specific class.

Subd. 17. [EMPLOYEE.] "Employee" means any person currently occupying, or on leave from, a county personnel system position.

Subd. 18. [LAYOFF LIST.] "Layoff list" means an eligible list by class of former permanent or probationary employees who have been terminated from positions in the class because of a shortage of funds or curtailment of service or for any other reason beyond their control not reflecting discredit on the employee.

Subd. 19. [PERMANENT STATUS.] "Permanent status" means the state or condition achieved by an employee in the classified service who has successfully completed an initial probationary period or a probationary period required following reinstatement or reemployment.

Subd. 20. [PERSONNEL DEPARTMENT.] "Personnel department" means the department charged with the administration of the county personnel system under the supervision of the personnel department director.

Subd. 21. [PERSONNEL REVIEW BOARD.] "Personnel review board" means the body charged with review responsibilities pursuant to section 7.

Subd. 22. [POSITION.] "Position" means a group of duties and responsibilities assigned or delegated by the appointing authority, requiring the full-time or less than full-time employment of one person.

Subd. 23. [PROBATIONARY PERIOD.] "Probationary period" means a period of time following appointment to a position in the classified service, during which the employee is required to demonstrate ability to perform the duties and fulfill the responsibilities of the position.

Subd. 24. [PROTECTED GROUPS.] "Protected groups" means the groups defined by Minnesota Statutes, section 43A.02, subdivision 33.

Subd. 25. [RECLASSIFICATION.] "Reclassification" means changing the allocation of a position to a different class.

Subd. 26. [REEMPLOYMENT LIST.] "Reemployment list" means an

eligible list by class of current or former permanent or probationary employees laid off, demoted in lieu of layoff, or separated in good standing from the class, and whose written applications for consideration for reemployment in the class have been approved by the personnel director.

Subd. 27. [TRANSFER.] "Transfer" means a change of an employee in one position within a department to a position of comparable class in the same or another department.

Subd. 28. [UNCLASSIFIED SERVICE.] "Unclassified service" means all positions which are not within the classified service as defined by section 6.

Sec. 2. [383A.283] [COUNTY BOARD RESPONSIBILITIES.]

Subject to this act and other law, the county board shall fix the annual salary of county officials and determine the number and compensation of all employees in the county personnel system.

Sec. 3. [383A.284] [PERSONNEL DEPARTMENT.]

Subdivision 1. [CREATION.] The personnel department is created under the supervision of the director of personnel.

Subd. 2. [DIRECTOR.] The director shall be appointed by the Ramsey county executive director, on the basis of merit and fitness as a result of a competitive examination, subject to the approval of the county board. The director shall be in the classified service and shall report directly to and be supervised by the Ramsey county executive director.

Subd. 3. [RESPONSIBILITIES.] The personnel department shall provide personnel management services and assistance to all county departments, enforce any personnel rules and regulations adopted by the county board, and carry out the responsibilities set forth in this act.

Sec. 4. [383A.285] [GENERAL; PERSONNEL POWERS OF DEPARTMENT AND COUNTY BOARD.]

Subdivision 1. [RULEMAKING.] The personnel department shall prepare rules to implement the provisions of this act. The rules shall be effective upon approval by the county board. Prior to approval, the county board shall hold a public hearing on the proposed rules after giving notice to county departments, employees, affected labor organizations, and the public. The rules approved by the county board shall have the force and effect of law. The rules may be amended or repealed in the same manner as originally adopted.

Subd. 2. [COLLECTIVE BARGAINING.] The personnel director or his designee shall be the chief labor negotiator for the county, under the supervision of the Ramsey county executive director. The personnel director may, as necessary and at his discretion, include department heads of affected departments in the labor negotiation process. The executive director shall recommend to the county board for its final approval all collective bargaining agreements. To the extent they are covered by a collective bargaining agreement, the compensation, terms and conditions of employment for all employees represented by an exclusive representative certified pursuant to chapter 179 shall be governed by the collective bargaining agreement executed by the county board and the parties and it shall supersede any rule or

administrative procedure adopted pursuant to this act, unless a provision of the agreement is found to violate other state or federal law.

Subd. 3. [EVALUATION; REPORT.] The county board will establish performance indicators and annually monitor the performance of the personnel management system in the county. The personnel department shall periodically review and evaluate current and future staff needs of all county departments, job classes and descriptions, training and development, and internal and market comparability of all classification and salary schedules and report to the county board on these and other personnel management areas, as requested.

Subd. 4. [REVIEW APPOINTMENTS.] Prior to each new appointment to the county personnel system, the personnel department shall certify that the person has been appointed in accordance with the provisions of this act and applicable rules and regulations.

Sec. 5. [383A.286] [CLASSIFIED SERVICE.]

Subdivision 1. [GENERAL.] All appointments to the classified service shall be based upon merit, fitness, and ability to perform the duties of the position and the needs of the appointing authority, including the need to achieve and maintain a representative work force.

Subd. 2. [CLASSIFICATION PLAN.] The personnel department shall maintain, revise, and administer a classification and salary plan and shall adopt guidelines to assist appointing authorities in classifying positions. All new classifications shall be approved by the county board before becoming effective.

Subd. 3. [CLASSIFICATION OF POSITIONS.] All positions in the classified service shall be allocated to an appropriate class in the classification plan or a new class shall be created, if appropriate. All positions shall be classified by the personnel department. If classifications are unique to a department, the personnel department shall consult with the head of that department prior to classifying the unique positions.

Subd. 4. [APPEAL FROM CLASSIFICATION OR RECLASSIFICATION.] An appointing authority or an employee affected by a classification or reclassification of a position may protest the action in writing to the personnel director. The personnel director shall review the classification or reclassification and may change the decision. Neither the appointing authority nor the employee shall have any further right to appeal the personnel review board decision regarding a classification or reclassification.

Subd. 5. [EFFECT OF RECLASSIFICATION.] The incumbent in a position which has been reclassified shall continue in the position only if the employee is eligible for and is appointed to the position of the new class in accordance with this act and any rules promulgated pursuant to this act. If the incumbent is ineligible to continue in the position reclassified and is not transferred, promoted, or demoted, the layoff provisions of this act shall apply. Personnel changes required by the reclassification of positions shall be completed within a reasonable period of time not to exceed 60 days, following the reclassification notice to an appointing authority. Any employee with permanent or probationary status whose position is classified shall be considered eligible to compete in any examination held to fill the reclassified

position.

Subd. 6. [REINSTATEMENT.] An employee who is granted a leave of absence from a position in the classified service to accept a position in the unclassified service, upon request, shall, during the unclassified appointment or within 60 days after the end of the unclassified appointment, be reinstated to the department from which the employee was granted a leave, to a classified position comparable to that which was held immediately prior to being appointed to the unclassified position. At the discretion of the appointing authority, any employee who without fault or delinquency has resigned or been demoted, within one year after leaving the position in the classified service, may be appointed or reinstated to a classified position within the same department which is comparable to the position held previously. An employee may be reinstated from a leave of absence as determined by the rules and regulations adopted by the county board pursuant to this act.

Subd. 7. [CLASSIFYING AND UNCLASSIFYING.] An employee in an unclassified position on the effective date of this act which becomes classified by this act shall continue to serve in the classified position and have all the benefits of classified service notwithstanding any other provision of this act. The county board shall determine by rule the effect of unclassifying classified positions provided that an employee of the county attorney's office holding a classified position on the effective date of this act which is unclassified by the county board as provided in section 6 may at the employee's option remain in the classified service in an equivalent position and with equivalent compensation, seniority, vacation, sick leave, and any other rights.

Sec. 6. [383A.287] [UNCLASSIFIED SERVICE.]

Subdivision 1. [GENERAL.] An appointing authority may appoint employees to the unclassified service in accordance with this section. Positions in the unclassified service shall not be required to be filled by competitive examination, but shall be subject to an open application and screening process. The appointing authority may discharge employees in the unclassified service with or without cause and employees in the unclassified service shall have no right to a grievance appeal from discharge or other disciplinary action under this act. An employee in an unclassified position shall not have tenure but shall be entitled to all benefits associated with tenure such as vacation leave, sick leave, health insurance, and other benefits as determined by the county board.

Subd. 2. [UNCLASSIFIED POSITIONS.] The following positions shall be in the unclassified service:

(a) positions held by elected officials or persons appointed to fill an elected office;

(b) one assistant for each elected official;

(c) the director or principal administrative officer of a department of county government or agency created by law, except that the affirmative action officer, personnel director, internal auditor, and director of budgeting and accounting shall be positions in the classified service;

(d) doctors, residents, and student nurses employed by the county or county

agency;

(e) *members of a board or commission appointed by the county, or the county and the city, and acting in an advisory capacity;*

(f) *weed inspectors, election judges, or election clerks;*

(g) *special police officers or special deputy sheriffs serving without pay;*

(h) *judges, court administrators, court reporters, receivers, referees, the examiner or assistant examiners of titles, public defenders, arbiters, jurors, clerks of district court, or persons appointed by the district court to make or conduct a special inquiry of a judicial and temporary character;*

(i) *all positions in the municipal court of Ramsey county and the second judicial district administrator's office;*

(j) *the executive director and eight principal assistants;*

(k) *interns, student workers, law clerks, or other employees employed for a limited duration as determined by the county board; and*

(l) *positions designated by the county board as unclassified pursuant to subdivision 3.*

Subd. 3. [UNCLASSIFIED POSITIONS AUTHORIZED BY COUNTY BOARD.] *The county board may designate additional positions in the unclassified service if the following criteria are met:*

(a) *designation of the position is not contrary to the provisions of other law relating specifically to that department;*

(b) *the person occupying the position would report directly to the department head and would be designated as part of the department head's management team;*

(c) *the duties of the position involve significant discretion and substantial involvement in the development, interpretation, and implementation of department policy.*

Sec. 7. [383A.288] [PERSONNEL REVIEW BOARD.]

Subdivision 1. [CREATION.] *The Ramsey county personnel review board is created to review disciplinary and nondisciplinary appeals and conduct performance reviews of the personnel department.*

Subd. 2. [ORGANIZATION.] *The county board, by a majority vote, shall appoint five persons to the personnel review board to serve four-year staggered terms. Any vacancies shall be filled by a majority vote of the county board for the unexpired term. Each member shall hold office until a successor has been appointed. Membership on the personnel review board shall be limited as follows:*

(a) *each member shall take an oath of office before assuming the duties of office;*

(b) *no person shall be a member of the civil service commission while holding a public office, or while holding office in a political party above the state legislative district level, nor for two years after having held this kind of public or political office; and*

(c) each member shall be a resident of the county and if a member becomes a nonresident, the member forfeits the office.

Subd. 3. [REMOVAL FROM OFFICE.] A personnel review board member may be removed from office by the county board for cause, after a copy of the charges has first been given to the member and opportunity of being publicly heard before the county board, upon not less than ten days written notice. A majority vote of the county board shall be required for removal.

Subd. 4. [COMPENSATION.] Compensation for members of the personnel review board shall be set by resolution of the county board.

Subd. 5. [RESPONSIBILITIES.] (a) [NONDISCIPLINARY APPEALS.] The personnel review board shall hear all nondisciplinary personnel appeals as defined in the rules adopted by the county board pursuant to section 4, subdivision 1.

(b) [GRIEVANCES AND DISCIPLINARY APPEALS.] All appeals or grievances relating to discharge, suspension, demotion for cause, salary decrease, or other disciplinary action shall be heard by a hearing officer or a hearing examiner appointed pursuant to section 14.55. The hearing officer or examiner shall hear the grievance or appeal and report its recommendation to the personnel review board in a timely manner consistent with section 13 and the rules and regulations promulgated by the county board.

(c) [REVIEW OF PERSONNEL DEPARTMENT PERFORMANCE.] Periodically, as requested by the county board, the personnel review board shall review, report, and make recommendations to the county board regarding personnel department services, procedures, and practices.

Sec. 8. [383A.289] [COMPETITIVE EXAMINATIONS.]

Subdivision 1. [GENERAL.] Entrance to the classified service shall be through successful competition in an examination and certification and appointment from an eligible list except as provided in this section.

Subd. 2. [TYPES OF EXAMINATIONS.] All examinations for positions in the classified service shall be job related and designed to fairly assess ability to perform the duties of the class for which the examination is given. The examination may consist of, but shall not be limited to, one or more of the following:

- (a) written subjective or objective tests;
- (b) physical tests;
- (c) practical or demonstration tests;
- (d) evaluation of training and experience;
- (e) oral subjective or objective tests in the form of question and answer;
- (f) interviews; or
- (g) a supervisory evaluation of job performance.

Subd. 3. [ELIGIBILITY FOR COMPETITIVE OPEN EXAMINATIONS.] Competitive open examinations shall, upon public notice, be open to all applicants who meet reasonable job related requirements fixed by the

personnel department.

Subd. 4. [ELIGIBILITY FOR COMPETITIVE PROMOTIONAL EXAMINATIONS.] *Competitive promotional examinations shall be open only to permanent and probationary employees of the classified service. The personnel department may limit competition to employees of one or more departments or organizational units of departments, or to employees meeting specified employment requirements.*

Subd. 5. [WAIVER OF COMPETITIVE EXAMINATIONS.] *The personnel department may waive the requirement for competitive examinations for positions or classifications which are unskilled or experience high turnover, or subject to approval by the county board, upon market conditions as recommended by the personnel department.*

Sec. 9. [383A.291] [ELIGIBLE LISTS.]

Subdivision 1. [GENERAL.] *The personnel department shall prepare eligible lists as provided in this section.*

Subd. 2. [RANK.] *On competitive open and competitive promotional lists eligibles shall be ranked according to their ratings in examinations and any veteran's preference required by law.*

Subd. 3. [TERM OF ELIGIBILITY.] *The term of eligibility of eligibles on lists shall be determined by the personnel department but shall not be less than six months.*

Sec. 10. [383A.292] [CERTIFICATION OF ELIGIBLES.]

Subdivision 1. [GENERAL.] *The personnel department, upon the request of the appointing authority, shall certify, for both competitive open and competitive promotional positions the first five eligibles on the eligible list and all other eligibles having the same score as the fifth eligible on the list.*

Subd. 2. [EXPANDED CERTIFICATION.] *The personnel department shall expand the certification beyond the first five eligibles to contain a member of not more than three underrepresented protected groups, in highest rank order, if it determines all of the following conditions are met:*

(a) the vacancy to be filled occurs in a job classification which is underrepresented by one or more protected groups, based on affirmative action goals;

(b) the first five eligibles do not contain the name of a member of a protected group which is underrepresented for the job classification;

(c) the protected group eligibles to be certified have achieved a minimum passing score on the competitive examination, if one has been given; and

(d) the protected group eligibles to be certified have achieved one of the top 20 scores on the competitive examination, if one has been given, or rank in the top 50 percent on the eligible list.

Subd. 3. [REFUSAL TO CERTIFY.] *The personnel department may refuse to certify an eligible who:*

(a) is found to lack any of the requirements established for the examination for which the eligible has applied;

(b) *has been dismissed from the public service for delinquency or misconduct;*

(c) *has been dismissed from the same or a similar classification within the civil service for unsatisfactory job performance;*

(d) *has, directly or indirectly, given or promised to give anything of value to any person in connection with the eligible's examination, appointment, or proposed appointment; or*

(e) *has made a false statement of any material fact or practiced or attempted to practice any deception or fraud in the application or examination or in securing eligibility or appointment.*

When the personnel department refuses to certify an eligible, it shall, upon request of the eligible refused, furnish the eligible a statement of the reasons for the refusal. Upon receipt of relevant information from the eligible refused, the personnel department shall reconsider the refusal and may certify the eligible. An eligible shall have no further right to appeal a personnel department decision to refuse to certify the eligible.

Sec. 11. [383A.293] [NONCOMPETITIVE APPOINTMENTS.]

Subdivision 1. [TEMPORARY APPOINTMENTS.] The personnel department may authorize the appointing authority to make a temporary appointment of not more than six months in any 12 month period. When practicable, the personnel department may certify any qualified eligible from an eligible list for the temporary appointment, but may authorize the appointment of any person deemed qualified by the appointing authority.

Subd. 2. [PROVISIONAL APPOINTMENTS.] The personnel department may authorize the appointing authority to make a provisional appointment for a position for which there is no eligible list for a period of time determined by the personnel department not to exceed six months.

Sec. 12. [383A.294] [PROBATIONARY PERIOD.]

Subdivision 1. [GENERAL.] All appointments to positions in the classified service shall be for a probationary period which shall be not less than three months of full-time equivalent service nor more than one year of full-time equivalent service as determined by the personnel department or through collective bargaining agreements. An appointing authority may require a probationary period for transfers, reemployments, reinstatements, voluntary demotions, and appointments from layoff lists or of former employees of a different appointing authority. For employees in a collective bargaining unit the requirement of a probationary period shall be subject to applicable provisions of collective bargaining agreements.

Subd. 2. [TERMINATION DURING PROBATIONARY PERIOD.] There is no presumption of continued employment during a probationary period. Terminations or demotions may be made at any time during the probationary period with or without cause and employees terminated during a probationary period shall have no further right to appeal. If during the probationary period an employee with permanent status is dismissed, the employee shall be restored to a position in his former class and department, but an employee who is serving a probationary period because his position has been reclassified and who is dismissed is not entitled to be restored to the reclass-

sified position and if he is not otherwise transferred, promoted or demoted, the layoff provisions of this act apply.

Sec. 13. [383A.295] [GRIEVANCES.]

Subdivision 1. [DISCHARGE; SUSPENSION; DEMOTION FOR CAUSE; SALARY DECREASE.] No permanent employee in the classified service shall be discharged, suspended without pay, or reduced in pay or position, except for just cause.

Subd. 2. [JUST CAUSE.] For purposes of this section, just cause includes, but is not limited to, failure to perform assigned duties, substandard performance, misconduct, insubordination, and violation of written policies and procedures.

Subd. 3. [NOTICE OF DISCIPLINARY ACTION.] The appointing authority shall give a permanent classified employee written notice of the discharge, suspension without pay, or reduction in pay or position. The written notice shall include a statement of the nature of the disciplinary action, the specific reasons for the action, the effective date of the action, and a statement informing the employee of the employee's right to reply within ten working days of receipt of the notice in writing or, upon request, in person, to the appointing authority or the authority's designee. The notice shall also include a statement of the employee's right to appeal to the personnel review board within 30 days of the effective date of the disciplinary action, but an employee who elects to reply to the appointing authority may appeal within ten working days of the receipt of the authority's response to the reply. If the appointing authority has not responded within 30 days of receipt of the employee's reply, the appointing authority shall be deemed to have replied unfavorably to the employee. A copy of the disciplinary action notice and the employee's reply shall be filed with the personnel department.

Subd. 4. [APPEAL PROCESS.] (a) [HEARING.] Within ten days of receipt of the employee's written notice of appeal, the personnel review board shall assign a hearing officer or examiner to hear the appeal. The hearing shall be conducted as a contested case and both the employee and appointing authority shall be entitled to present facts at the hearing. The burden of proof shall be on the appointing authority to establish the basis for its disciplinary action by a preponderance of the evidence. A record shall be kept of the hearing at the expense of the personnel review board. The hearing officer or examiner may subpoena and require the attendance of witnesses and the production of any relevant documents and may administer oaths to witnesses.

(b) [HEARING REPORT.] Within 30 days of receipt of the request by the personnel review board to conduct a hearing, the hearing officer or examiner shall recommend to the personnel review board an appropriate disposition of the grievance which shall be in writing and contain findings of fact and conclusions.

(c) [DECISION OF PERSONNEL REVIEW BOARD.] Within 30 days of receipt of the hearing officer's or examiner's recommendation, the personnel review board shall act to modify, reject, or accept the recommendation. If the personnel review board fails to act within 30 days after receipt of the recommendation, it shall be deemed to have accepted the recommendation of the

hearing officer or examiner recommending final disposition of the grievance. The personnel review board shall not conduct a hearing prior to modifying, accepting, or rejecting the recommendation of the hearing examiner but shall confine its review to the record established before the hearing examiner and no party to the appeal shall have a right to a hearing de novo before the personnel review board.

(d) [APPEAL OF PERSONNEL REVIEW BOARD DECISION.] *The decision of the personnel review board shall be the final decision regarding the employee's grievance appeal. The decision may be appealed to district court within 30 calendar days after its receipt, by the appointing authority or by the employee. The appeal shall be decided by the court upon the board's record. The decision of the board may be reversed if the hearing record contains no evidence upon which the personnel review board could have reached its decision or if the personnel review board abused its discretion.*

(e) [EFFECT OF PERSONNEL REVIEW BOARD DECISION.] *The personnel review board decision shall be binding on both the employee and the appointing authority unless on appeal the decision is stayed, modified, or reversed by the district court.*

(f) [PROPER PARTY TO LITIGATION.] *Ramsey county and not the personnel review board, shall be a proper party to an appeal or any litigation arising out of this act.*

The personnel review board shall have no right to sue or be sued under this act. The county attorney of Ramsey county shall represent the county in any litigation arising out of this act.

Subd. 5. [COLLECTIVE BARGAINING AGREEMENTS.] *Procedures for discipline and discharge of employees covered by collective bargaining agreements shall be governed by the agreements, to the extent that the agreements are inconsistent with this act. In no event may an employee use both the procedure under this section and the grievance procedure available pursuant to sections 179.61 to 179.76.*

Sec. 14. [383A.296] [CONDITIONS OF EMPLOYMENT.]

Subdivision 1. [BENEFITS.] *The personnel department shall have the authority to set hours of employment, sick leave, vacation leave, leave of absence without pay, health insurance, life insurance, and other fringe benefits for employees in the classified and unclassified service subject to the approval of the county board and in accordance with the law.*

Subd. 2. [LAYOFFS.] *The personnel department shall promulgate rules and regulations providing for the layoff of employees on the basis of the employee's seniority.*

Subd. 3. [RETIREMENT.] *Employees in the classified and unclassified service, except for elected officials, shall be retired no later than the first day of the month after the month in which the employee reached the age of 70.*

Sec. 15. [383A.297] [MISCONDUCT.]

No person shall interfere with the rights of any person in the examination process, or falsely mark, grade, or report the examination or standing of any person examined or aid in so doing, or furnish to any person, except in an-

swer to inquiries of the personnel review board, any information for the purpose of changing the rating of any person. No applicant or employee shall falsify an application or record for the purpose of improving prospects for employment. No person shall by means of threats or coercion induce or attempt to induce any person holding a position in the classified service to resign. A violation of this section is cause for dismissal, other discipline, or disqualification from the classified service of the county. In addition to other legal remedies, violations may be enjoined.

Sec. 16. [383A.298] [POLITICAL ACTIVITY.]

No employee in the classified service shall be under any obligation to contribute to a political service or fund to any person, body, or committee, and no employee in the classified service may be discharged, suspended, demoted, or otherwise disciplined or prejudiced for refusal to do so. All employees in the classified and unclassified service shall be subject to the prohibition on political activities set forth in Minnesota Statutes, section 210A.081.

Sec. 17. [383A.299] [TRANSITIONAL PROVISIONS.]

All employees of the civil service department shall be transferred to the personnel department. All members of the civil service commission shall be members of the personnel review board and serve until their current term expires and a successor is appointed.

Sec. 18. Minnesota Statutes 1982, section 383A.41, subdivision 5, is amended to read:

Subd. 5. [POWERS AND DUTIES OF COMMISSION.] The commission is responsible for the operation, administration, management and control of the Saint Paul-Ramsey Medical Center, may carry malpractice insurance for the medical center medical and nonmedical staff and pay the premiums therefor. The commission may appoint and, at its pleasure, remove a chief executive officer of the medical center and seven principal assistants. The commission may employ other personnel it determines are necessary for the performance of its duties. The commission's employees are subject to the Ramsey county ~~civil service~~ *personnel system* law and the rules related to it. The commission shall reimburse the county ~~civil service~~ *personnel* department for its services for the commission's classified employees and the reimbursement is to be credited to the ~~civil service~~ *personnel* department budget. *The county board shall be the employer of the commission employees for purposes of sections 179.35 to 179.38.*

Sec. 19. [DEFINITION.]

When it appears in sections 1 to 17, the term "this act" and related terms refer to sections 1 to 17.

Sec. 20. [REPEALER.]

Minnesota Statutes 1982, sections 383A.28, as amended by Laws 1983, chapter 274, section 12; 383A.29; 383A.30; and 383A.31, are repealed.

Sec. 21. [EFFECTIVE DATE.]

This act is effective the day after the filing of a certificate of local approval in compliance with Minnesota Statutes, section 645.021, subdivision 3, by

the Ramsey county board."

Amend the title as follows:

Page 1, line 7, after "sections" insert "383A.28, as amended;" and after "383A.30;" insert "and" and after "383A.31" delete "; and" and insert a period

Page 1, delete line 8

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. 1951: A bill for an act relating to agriculture; changing the authority for licensing and inspecting vending machines; amending Minnesota Statutes 1982, sections 145.031, subdivision 1; 145.55, subdivision 1; 145.918, subdivision 2; 366.01, subdivision 2; and Minnesota Statutes 1983 Supplement, section 28A.09, subdivision 1; repealing Minnesota Statutes 1982, sections 144.075; 375.193; and 461.02.

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

Page 2, line 2, strike the second comma

Page 2, line 3, strike "which may"

Page 2, line 4, strike "impose a reasonable inspection" and strike "fee"

Amend the title as follows:

Page 1, line 2, delete "agriculture" and insert "local government"

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. 2061: A bill for an act relating to natural resources; authorizing the commissioner of natural resources to sell certain lands in Koochiching County; appropriating money.

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

Delete everything after the enacting clause and insert:

"Section 1. [CONVEYANCE OF STATE LAND; KOOCHICHING COUNTY.]

Subdivision 1. The state is the owner of Government Lot Seven, Section Twenty-five, Township Seventy-one North, Range Twenty-three West, in Koochiching County.

Subd. 2. A cabin was inadvertently built on this state property in 1958 and has been owned, occupied, and improved since it was built.

Subd. 3. Notwithstanding the provisions of Minnesota Statutes, section 92.45 to the contrary, the commissioner of natural resources may offer for sale and sell, in the manner provided for the sale of other trust fund lands, the following described land, except that the value of the improvements on the land shall be appraised separately. If, at the sale of the land Rohl Peterson is the purchaser, he shall not be required to pay for the improvements upon furnishing an affidavit showing that the improvements were paid by him. The land which the commissioner may offer for sale and sell is described as:

That part of Government Lot 7 of Section 25, Township 71

North, Range 23 West, Koochiching County, Minnesota,

described as follows:

Commencing at the southwest corner of Lot 1, LAKEVIEW, according to the plat thereof as surveyed by R.E. Martin, said plat being on file and of record in the office of the County Recorder, Koochiching County, Minnesota; thence on an assumed bearing of North 75 degrees 39' 24'' East, 62.01 feet along the southerly line of said Lot 1 to the west line of said Government Lot 7 and the point of beginning;

*thence North 75 degrees 39' 24'' East, 38.80 feet;
thence North 00 degrees 39' 24'' East, 302 feet, more
or less, to the water's edge of Rainy Lake;
thence southwesterly 45 feet, more or less, along said
water's edge to the west line of said Government Lot 7;
thence South 00 degrees 44' 31'' East, 298 feet, more
or less, along said west line to the point of
beginning.*

Including all riparian rights to the contained 0.3 acres, more or less.

Subd. 4. If a person other than Rohl Peterson purchases the land, the purchaser shall pay in cash to the state at the time of sale, in addition to all other required payments, the full amount for which the improvements are appraised. The amount so received by the state for the improvements shall be paid over by the state treasurer, with the approval of the commissioner of finance, to Rohl Peterson or his successor in interest as compensation therefor, and the moneys required for the payment are appropriated for this purpose.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following its final enactment."

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. 2067: A bill for an act relating to Indians; providing for partial settlement of Indian land claims on the White Earth Reservation; appropriating money.

Reports the same back with the recommendation that the bill do pass and be

re-referred to the Committee on Finance. Report adopted.

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

S.F. No. 2148: A bill for an act relating to local government; permitting a land transfer between Ramsey County and the city of Shoreview.

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

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

S.F. No. 1403: A bill for an act relating to the Mississippi River headwaters area; requiring other governmental units to follow the land use plan adopted by the board; proposing new law coded in Minnesota Statutes, chapter 114B.

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

Page 1, line 10, delete "*state*,"

Page 1, line 10, after "*local*" delete the comma

Page 1, line 11, after "*boards*" delete the comma and insert "*and*"

Page 1, line 11, after "*districts*" delete the comma and insert "*and all state*"

Page 1, line 11, after "*agencies*" delete the comma and insert "*and*"

Page 1, line 11, after "*departments*" delete "*, and other*"

Page 1, line 12, delete "*authorities*"

Page 1, lines 14 and 16, after "*board*" insert "*on February 12, 1981*"

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. 2009: A bill for an act relating to state lands; conveying certain lands to the city of Melrose.

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

Page 1, line 7, delete "*Despite*" and insert "*Notwithstanding*" and delete "*laws, ordinances, or charter provisions*" and insert "*law*"

Page 1, line 8, delete "*is authorized to*"

Page 1, line 9, delete "*and shall*" and insert "*may*"

Page 1, line 13, delete "*, and*"

Page 1, delete line 17 and insert "*Upon payment by the city of the com-*

missioner's appraised value, the"

Page 1, line 20, delete "*only*" and delete "*any minerals or*"

Page 1, line 21, delete "*of Minnesota*"

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. 2037: A bill for an act relating to parks; providing for the conveyance of certain land for Voyageurs National Park; appropriating money; amending Minnesota Statutes 1982, section 84B.03, 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. Merriam from the Committee on Agriculture and Natural Resources, to which was referred

S.F. No. 2145: A bill for an act relating to Olmsted County; allowing contracts for solid waste management property, facilities, and services to be let without advertisement for bids.

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

Page 1, line 9, after "*contracts*" insert "*with or without advertisement for bids*"

Page 1, line 12, delete "*with or without advertisement for bids*"

Page 1, line 12, after the period, insert "*If a county contract is let by negotiation, without advertising for bids, the county shall conduct the negotiation and award the contract using a fair and open procedure and in full compliance with Minnesota Statutes, section 471.705. If a county contract is to be awarded by bid, the county may, after notice to the public and prospective bidders, conduct a fair and open process of prequalification of bidders prior to advertisement for bids.*"

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

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

S.F. No. 1605: A bill for an act relating to taxation; imposing a tax on the transfer of motor vehicles; dedicating the proceeds of the tax for the screening or removal of salvage yards adjacent to trunk highways; appropriating money; amending Minnesota Statutes 1982, section 161.242, subdivisions 3 and 4; proposing new law coded in Minnesota Statutes, chapter 161.

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 161.242, subdivision 3, is amended to read:

Subd. 3. [UNAUTHORIZED JUNK YARDS PROHIBITED.] (1) ~~No~~ (a) A junk yard may *not* exist or be operated outside a zoned or unzoned industrial area, including those located on public lands ~~and reservations of the United States~~, unless it ~~be is~~ screened ~~so as~~ to effectively conceal it from the view of motorists using the highway. The screening required by this section may be effected by trees, shrubs, or foliage, natural objects, fences or other appropriate means as determined by standards established by the commissioner. Plantings ~~which that~~ will eventually achieve effective screening shall be acceptable. Plantings shall be used in connection with any fence or other non-natural screening device.

(2) ~~Any such~~ (b) A portion of a junk yard ~~or portion thereof which that~~ cannot be effectively be screened ~~shall must~~ be removed or relocated ~~pursuant to~~ under the provisions of this section ~~on or before July 1, 1979~~. ~~Any such~~ A junk yard lawfully existing ~~on along~~ a highway ~~which that~~ is made a part of the trunk highway system after January 1, 1975, and becomes nonconforming thereby shall be effectively screened or removed or relocated within four years ~~thereafter~~. Any junk yard ~~which that~~ comes into existence after July 1, 1971 ~~which that~~ does not conform to this section, or ~~which that~~ becomes nonconforming after July 1, 1971, or ~~which that~~ becomes nonconforming after action by the commissioner pursuant to this section, is hereby declared to be a public nuisance and illegal, and the commissioner may enter upon the land where the junk yard is located and may screen the same, or may relocate or dispose of the junk yard after 90 days notice to the owner or dealer thereof, if known, or to the owner of the land. In this event, no compensation shall be paid to the owner or dealer or owner of the land, and the commissioner may ~~collect~~ recover the cost of screening, removal, relocation or disposal from the owner or dealer, if known, or from the owner of the land upon which the junk yard is located. *Any costs recovered by the commissioner shall be deposited in the general fund and credited to the salvage yard account.*

(3) (c) None of the articles commonly found in junk yards shall be allowed to remain on the grounds for more than 24 hours unless within the buildings or the properly screened area as provided herein, nor shall any junk in any junk yard be allowed to extend above existing or planned screening so as to be visible from the highway.

Sec. 2. Minnesota Statutes 1982, section 161.242, subdivision 4, is amended to read:

Subd. 4. [AUTHORITY; ENFORCEMENT.] The commissioner shall screen junk yards when required by this section at locations on the right-of-way of the highway or on lands within 1,000 feet of the right-of-way and shall pay for the costs thereof. If screening is not feasible because of economic or topographic reasons, the commissioner shall secure the removal, relocation or disposal of such junk yard by sale, agreement, or other means, and pay for the costs thereof. Notwithstanding the other provisions of this section, if a junk yard exists within one-half mile of the right-of-way of any trunk highway and is visible from the highway, the commissioner may acquire easements for screening purposes up to one-half mile from the edge of the right-of-way of the highway. The commissioner shall acquire such rights

and interest in property, personal or real, necessary to carry out the purposes of this section by purchase, gift, or eminent domain proceedings and shall pay just compensation therefor. ~~The commissioner shall not expend any money to acquire rights or interests in junk yards under this section; except those for which acquisition proceedings were begun before June 8, 1979 or for which federal money has been appropriated by Congress for junk yards described in Title 23, United States Code, Section 136(j) and the federal share has been made available to the commissioner. All costs described herein shall be necessary for a highway purpose.~~

Sec. 3. [161.243] [TRANSFER TAX.]

Subdivision 1. [TAX IMPOSED.] A tax of \$1 is imposed on the initial sale and each subsequent transfer of title within the state, other than transfers for resale purposes, of every motor vehicle weighing more than 1,000 pounds. The tax shall be collected by the motor vehicle registrar. Registration plates or certificates may not be issued by the motor vehicle registrar for the ownership or operation of a motor vehicle subject to the transfer tax unless the tax is paid. The tax is not imposed on the transfer of:

- (1) a previously registered vehicle if the transfer is to the same person;*
- (2) vehicles subject to the conditions specified in section 297A.25, subdivision 1, clause (j);*
- (3) common carrier vehicles engaged in interstate commerce, licensed and operating under interstate commerce commission requirements; and*
- (4) vehicles purchased in another state by a resident of another state if the purchaser is transferring title to this state and has become a resident of this state after the purchase and more than 60 days have elapsed after the date of purchase.*

Subd. 2. [TAX PROCEEDS; APPROPRIATION.] The tax collected shall be deposited in the general fund of the state treasury and credited to the salvage yard account. The legislature may annually appropriate from the salvage yard account to the commissioner of transportation the amount necessary to pay the costs incurred under section 161.242, subdivisions 3 and 4.

Subd. 3. [TAX REPEALED.] This section is repealed July 1, 1988.

Sec. 4. [EFFECTIVE DATE.]

Section 3 is effective for transfers of motor vehicles after July 31, 1984."

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. 1449: A bill for an act relating to game and fish; authorizing reciprocity with Wisconsin in the purchase and sale of annual hunting and fishing licenses; proposing new law coded in Minnesota Statutes, chapter 98.

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

Page 1, line 17, after the period, insert "As part of the agreement the

commissioners of natural resources in Minnesota and Wisconsin must establish a standard for defining real property ownership."

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

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

S.F. No. 1982: A bill for an act relating to the governor; transferring the authority to make certain appointments to various commissioners; providing for filling a membership vacancy on a board reoccurring within three months after the vacancy has been filled; amending Minnesota Statutes 1982, sections 1.35; 15.0575, by adding a subdivision; 16.71, subdivision 1; 16.823, subdivision 2; 35.02, subdivision 1; 116E.02, subdivision 2; 121.934, subdivision 1; 182.656, subdivision 1; and 326.33, subdivision 1; Minnesota Statutes 1983 Supplement, sections 16.911, subdivision 1; 40.03, subdivision 1; 116C.82, subdivision 2; 116E.02, subdivision 1; 250.05, subdivision 2; and 299B.05, subdivision 1.

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

Page 2, line 9, after "may" insert ", upon notification to the office of secretary of state,"

Page 2, delete section 4

Pages 3 to 5, delete sections 6, 7 and 8

Page 5, line 28, strike "to be" and insert ", three"

Page 5, line 29, before the comma, insert "*and three appointed by the commissioner of education*"

Page 6, line 24, strike everything after the period

Page 6, strike lines 25 and 26

Pages 6 and 7, delete section 10

Pages 7 and 8, delete section 13

Page 8, lines 28 and 30, delete "*corrections*" and insert "*public safety*"

Page 9, after line 21, insert:

"Sec. 10. [REPEALER.]

Minnesota Statutes 1982, section 116E.02, subdivision 2, is repealed."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 8, delete "16.823, subdivision 2; 35.02,"

Page 1, line 9, delete "subdivision 1; 116E.02, subdivision 2;"

Page 1, line 12, delete "40.03, subdivision 1;"

Page 1, line 13, delete "116C.82, subdivision 2;"

Page 1, line 14, delete "250.05, subdivision 2;" and before the period, insert "; repealing Minnesota Statutes 1982, section 116E.02, subdivision 2"

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. 1976: A bill for an act relating to regulated industries; changing conditions that regulate the telecast of games at metropolitan sports facilities; amending Minnesota Statutes 1982, section 473.568, 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. [METROPOLITAN SPORTS FACILITY; TICKET PURCHASE AGREEMENTS.]

The repeal of sections 473.568 and 473.581, subdivision 3, clause (m), is based solely upon the continued effectiveness of the agreement or agreements entered into by the metropolitan sports facilities commission and the purchaser or purchasers of tickets of admission as provided for by Laws 1979, chapter 203, section 8. Such agreements shall remain in effect throughout their terms and the commission shall have no authority to terminate or modify such agreements.

Sec. 2. Minnesota Statutes 1982, section 473.581, subdivision 3, is amended to read:

Subd. 3. [LIMITATIONS.] The principal amount of the bonds issued pursuant to subdivision 1, clause (a), shall not exceed the amounts hereinafter authorized. If the commission's proposal and the construction contracts referred to in clause (g) of this subdivision provide for the construction of a covered multipurpose sports facility, the total cost of constructing the facility under the construction contracts, not including costs paid from funds provided by others, and the principal amount of bonds issued pursuant to subdivision 1, clause (a), shall be limited to \$55,000,000. If the commission's proposal and the construction contracts do not provide for the construction of a cover on a proposed multipurpose sports facility and the commission does not otherwise contract for the construction or acquisition of a cover for the sports facility, the principal amount shall be limited to \$42,000,000. If the commission's proposal and the construction contracts provide for the construction of a new sports facility for football and soccer and for remodeling the existing metropolitan stadium for baseball, the principal amount shall be limited to \$37,500,000. If the commission's proposal and the construction contracts provide for the reconstruction and remodeling of the existing metropolitan stadium as an uncovered multipurpose sports facility, the principal amount shall be limited to \$25,000,000. The bonds issued pursuant to subdivision 1, clause (a), shall bear an average annual rate of interest, including discount, not in excess of 7-1/2 percent. The proceeds of the bonds issued pursuant to subdivision 1, clause (a), shall be used only for the acquisition

and betterment of sports facilities suitable for baseball, football and soccer, with a seating capacity for football and soccer of approximately 65,000 persons. The council shall issue its bonds and construction of sports facilities may commence when the council has made the following determinations:

(a) The commission has executed agreements with major league professional baseball and football organizations to use its sports facilities for all scheduled regular season home games and play-off home games and, in the case of the football organization, for at least one-half of its exhibition games played each season. The agreements shall be for a period of not more than 30 years nor less than the term of the longest term bonds that in the council's judgment it may find it necessary to issue to finance the acquisition and betterment of the commission's sports facilities. The agreements may contain provisions negotiated between the organizations and the commission which provide for termination upon conditions related and limited to the bankruptcy, insolvency, or financial capability of the organization. The agreements shall provide that, in the event of breach of the agreements, the defaulting organization shall pay damages annually to the commission. The annual payment shall be in an amount equal to the annual average of all revenue derived by the commission from attendance at events and activities of the defaulting organization during the years prior to default, provided that the damages shall not exceed in any year an amount sufficient, with other revenues of the commission but excluding proceeds of the taxes under section 473.592, to pay all expenses of operation, maintenance, administration, and debt service for the facilities used by the defaulting organization during the same year. The damages shall be payable during the period from the occurrence of the default to the date on which another major league professional baseball or football organization, replacing the defaulting organization, enters into a use agreement with the commission for not less than the then remaining term of the original agreement. The agreements with the teams shall provide that no closed circuit or pay television broadcasting of events in the sports facility may be allowed without the approval of the commission. The agreements shall include provisions protecting the commission and the council in the event of change in ownership of the professional teams.

(b) The commission has executed agreements with professional baseball and football major leagues which guarantee the continuance of franchises in the metropolitan area for the period of the agreements referred to in clause (a).

(c) The proceeds of bonds provided for in this subdivision will be sufficient, together with other capital funds that may be available to the commission, to construct or remodel and to furnish the sports facilities proposed by the commission, including the appropriate professional fees and charges but excluding, except as otherwise provided in this subdivision, the acquisition, clearance, relocation, and legal costs referred to in clauses (d) and (e).

(d) The commission has acquired, without cost to the commission or the council except as provided in this subdivision, title to all real property including all easements and other appurtenances needed for the construction and operation of any proposed sports facilities or has received a grant of funds or has entered into an agreement or agreements sufficient in the judgment of the council to assure the receipt of funds, at the time and in the amount required, to make any payment upon which the commission's acqui-

sition of title and possession of the real property is conditioned.

(e) The commission has received a grant of funds or entered into an agreement or agreements sufficient in the judgment of the council to assure the receipt of funds, at the time and in the amount required, to pay all costs, except as provided in this subdivision, of clearing the real property needed for the construction and operation of any proposed sports facilities of all buildings, railroad tracks and other structures, including without limitation all relocation costs, all utility relocation costs, and all legal costs.

(f) The commission has executed agreements with appropriate labor organizations and construction contractors which provide that no labor strike or management lockout will halt, delay or impede construction.

(g) The commission has executed agreements which will provide for the construction of its sports facilities for a certified construction price and completion date and which include performance bonds in an amount at least equal to 100 percent of the certified price to cover any costs which may be incurred over and above the certified price, including but not limited to costs incurred by the commission or loss of revenues resulting from incomplete construction on the completion date.

(h) The environmental impact statement for the sports facility or facilities has been accepted by the environmental quality board, and the pollution control agency and any other department, agency, or unit of government have taken the actions necessary to permit the construction of the sports facility or facilities.

(i) At least 50 percent of the private boxes provided for in the commission's proposal for the sports facility or facilities are sold or leased for at least five years.

(j) The anticipated revenue from the operation of the sports facility or facilities plus any additional available revenue of the commission and the revenue from the taxes under section 473.592 will be an amount sufficient to pay when due all debt service plus all administration, operating and maintenance expense.

(k) The commission has studied and considered the needs of the University of Minnesota for athletic facilities for a prospective 20 year period.

(l) The municipality where the facility is to be constructed has entered into an agreement as contemplated in section 473.592.

(m) The commission has entered into an agreement or agreements with a purchaser or purchasers of tickets of admission for a period of not less than 20 years which will assure that, if the professional football organization cannot comply with the provisions of section 473.568, whenever more than 90 and less than 100 percent of the tickets of admission for seats at any professional football game, which were available for purchase by the general public 120 hours or more before the scheduled beginning time of the game either at the sports facility where the game is to be played or at the box office closest to the sports facility, have been purchased 72 hours or more before the beginning time of the game, then all of such tickets which remain unsold will be purchased in sufficient time to permit the telecast to areas within the state which otherwise would not receive the telecast because of the terms of an agreement

in which the professional football league has sold or otherwise transferred all or part of the rights of the league's member organizations in the sponsored telecasting of games of the organizations. The party or parties agreeing to the purchase of such unsold tickets shall be obligated for a period of at least 20 years in an amount determined by the council to be sufficient to assure the purchase of all such unsold tickets. An agreement or agreements satisfying the requirements of this clause shall free the professional football organization from the prohibition otherwise imposed on it by section 473.568.

(n) (m) The council has entered into an agreement with the brokerage firm or brokerage firms to be used in connection with the issuance and sale of the bonds guaranteeing that fees and charges payable to the brokerage firm or firms in connection therewith, including any underwriting discounts, shall not exceed fees and charges customarily payable in connection with the issuance and sale of bonds secured by the pledge of the full faith and credit of the municipality in which any new sports facility is to be located.

The validity of any bonds issued under subdivision 1, clause (a), and the obligations of the council and commission related thereto, shall not be conditioned upon or impaired by the council's determinations made pursuant to this subdivision. For purposes of issuing the bonds the determinations made by the council shall be deemed conclusive, and the council shall be and remain obligated for the security and payment of the bonds irrespective of determinations which may be erroneous, inaccurate, or otherwise mistaken.

Sec. 3. [REPEALER.]

Minnesota Statutes 1982, section 473.568, is repealed."

Amend the title as follows:

Page 1, line 5, delete "473.568, subdivision 1" and insert "473.581, subdivision 3; repealing Minnesota Statutes 1982, section 473.568"

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

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

S.F. No. 1408: A bill for an act relating to state departments and agencies; allowing the commissioner of administration to transfer to local government units certain supplies, materials, and equipment; allowing the commissioner of administration to charge a price sufficient to cover costs when selling copies of laws and resolutions; allowing the commissioner of administration to lease office space and purchase supplies and equipment without the approval of the governor; allowing the commissioner of administration to provide for the use of certain motor vehicles by the governor and lieutenant governor; relating to the use of state vehicles and compensation for use of personal vehicles; including in the definition of the term "employee" for purposes of workers' compensation a voluntary uncompensated worker accepted by the commissioner of administration; specifying the United States department of labor as the entity which designates a labor surplus area; amending Minnesota Statutes 1982, sections 16.02, subdivisions 18 and 24; 16.243, subdivision 1; 16.753, subdivision 5; and 645.445, subdivision 5;

and Minnesota Statutes 1983 Supplement, sections 16.75, subdivision 7; and 176.011, subdivision 9.

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

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1982, section 16A.065, is amended to read:

16A.065 [ADVANCE PAYMENTS AND DEPOSITS.]

Notwithstanding any other law to the contrary, the commissioner of finance may allow advance deposits or payments by any department for the procurement of software or software maintenance services for state-owned or leased electronic data processing equipment, *and may allow advance deposits by any department with the Library of Congress and federal Supervisor of Documents for items to be purchased from those federal agencies.*

Sec. 2. [16A.722] [REIMBURSEMENT FOR LOSS OR DAMAGE TO STATE PROPERTY, USE OF PROCEEDS.]

Notwithstanding any other law to the contrary, a state department or agency that receives a reimbursement for the loss of or damage to state property may deposit the reimbursement in the current year's account. The reimbursement is reappropriated for the purpose of replacing or repairing the state property.

COMMISSIONER OF ADMINISTRATION

Sec. 3. [16B.01] [DEFINITIONS.]

Subdivision 1. For purposes of chapter 16B, the following terms have the meanings given them, unless the context clearly indicates otherwise:

Subd. 2. [AGENCY.] “Agency” means any state officer, employee, board, commission, authority, department, or other agency of the executive branch of state government.

Subd. 3. [COMMISSIONER.] “Commissioner” means the commissioner of administration.

Subd. 4. [STATE CONTRACT.] “State contract” means any written instrument containing the elements of offer, acceptance and consideration to which a state agency is a party.

Subd. 5. [SUPPLIES, MATERIALS, AND EQUIPMENT.] “Supplies,” “materials,” and “equipment” includes articles and things used by or furnished to an agency, including printing, binding, and publication of books and records, repairs, and improvements.

Subd. 6. [UTILITY SERVICES.] “Utility services” includes telephone, telegraph, postal, electric light, and power service, and all other services required for the maintenance, operation, and upkeep of buildings and offices.

Sec. 4. [16B.02] [DEPARTMENT OF ADMINISTRATION.]

The department of administration is under the supervision and control of the commissioner of administration, who is appointed by the governor under

section 15.06.

Sec. 5. [16B.03] [APPOINTMENTS.]

The commissioner is authorized to appoint staff, including a deputy commissioner, in accordance with chapter 43A.

Sec. 6. [16B.04] [AUTHORITY.]

Subdivision 1. [RULEMAKING AUTHORITY.] Subject to chapter 14, the commissioner may adopt, amend, and rescind rules relating to any purpose, responsibility, or authorization in chapter 16B. Rules adopted must comply with any provisions in chapter 16B which specify or restrict the adoption of particular rules.

Subd. 2. [POWERS AND DUTIES, GENERAL.] Subject to other provisions of this chapter, the commissioner is authorized to:

(1) supervise, control, review, and approve all state contracts and purchasing;

(2) provide agencies with supplies and equipment and operate all central store or supply rooms serving more than one agency;

(3) approve all computer plans and contracts, and oversee the state's data processing system;

(4) investigate and study the management and organization of agencies, and reorganize them when necessary to ensure their effective and efficient operation;

(5) manage and control state property, real and personal;

(6) maintain and operate all state buildings including the state capitol building and grounds;

(7) supervise, control, review, and approve all capital improvements to state buildings and the capitol building and grounds;

(8) provide central duplicating, printing, and mail facilities;

(9) oversee publication of official documents and provide for their sale;

(10) manage and operate parking facilities for state employees and a central motor pool for travel on state business; and

(11) establish and administer a state building code.

Subd. 3. [DELEGATION FROM GOVERNOR.] The governor, unless otherwise provided by law, may delegate to the commissioner the administration of programs and projects of the office of the governor directed by either state or federal law, or which may be made available to the state under a grant of funds either public or private. Unless specifically prohibited by law, the governor may delegate to the commissioner general supervision of any program or activity of any agency the head of which is either appointed by the governor or by a gubernatorially appointed board. The provisions of this subdivision shall not be construed as authority to transfer programs or activities, or part of them, from one department to another.

Sec. 7. [16B.05] [DELEGATION BY COMMISSIONER.]

Subdivision 1. [DELEGATION OF DUTIES BY COMMISSIONER.]

The commissioner may delegate duties imposed by this chapter to the head of an agency and to any of his subordinates. Delegated duties are to be exercised in the name of the commissioner and under his supervision and control.

Subd. 2. [FACSIMILE SIGNATURES.] When authorized by the commissioner, facsimile signatures may be used by personnel of the department of administration in accordance with his delegated authority and his instructions, copies of which shall be filed with the commissioner of finance, state treasurer, and the secretary of state. A facsimile signature, when used in accordance with his delegated authority and his instructions, is as effective as an original signature.

CONTRACTS AND PURCHASES

Sec. 8. [16B.06] [CONTRACT MANAGEMENT AND REVIEW.]

Subdivision 1. [DUTIES OF COMMISSIONER.] (a) [CONTRACT MANAGEMENT.] The commissioner shall perform all contract management and review functions for state contracts, except those functions performed by the contracting agency, the attorney general, or the commissioner of finance. All agencies shall fully cooperate with the commissioner in the management and review of state contracts. A delegation of the commissioner's duties under this section to the head of an agency must be filed with the secretary of state and may not, except with respect to delegations within the department of administration, exceed two years in duration.

(b) [PURCHASING.] The commissioner shall purchase, rent, or otherwise provide for the furnishing of all supplies, materials, equipment, and utility services. The commissioner may lease, rent, or sell supplies, equipment, and services to agencies. The commissioner shall purchase from the state correctional institutions, the University of Minnesota, and other state institutions all articles manufactured by them which are usable by the state. All purchase orders must be made on a form prescribed by the attorney general.

Subd. 2. [VALIDITY OF STATE CONTRACTS.] A state contract or lease is not valid and the state is not bound by it until it has first been executed by the head of the agency which is a party to the contract and has been approved in writing by the commissioner or a delegate, under this section, by the attorney general or a delegate as to form and execution, and by the commissioner of finance or a delegate who shall determine that the appropriation and allotment have been encumbered for the full amount of the contract liability. The head of the agency may delegate the execution of specific contracts or specific types of contracts to a deputy or assistant head within his agency if the delegation has been approved by the commissioner of administration and filed with the secretary of state. A copy of every contract or lease extending for a term longer than one year must be filed with the commissioner of finance.

Subd. 3. [CONTRACT ADMINISTRATION.] Upon entering into a state contract, an agency bears full responsibility for the diligent administration and monitoring of the contract. The commissioner may require an agency to report to the commissioner at any time on the status of any outstanding state contract to which the agency is a party.

Subd. 4. [SUBJECT TO AUDIT.] A contract made by or under the supervision of the commissioner, an agency, or any county or unit of local gov-

ernment shall include an audit clause that provides that the books, records, documents, and accounting procedures and practices of the contractor relevant to the contract are subject to examination by the contracting agency, and either the legislative auditor or the state auditor as appropriate.

Subd. 5. [AUTHORITY OF ATTORNEY GENERAL.] The attorney general may sue to avoid the obligation of an agency to pay under a state contract or to recover payments made if services performed under the contract are so unsatisfactory, incomplete, or inconsistent with the price that payment would involve unjust enrichment. The contrary opinion of the contracting agency does not affect the power of the attorney general under this subdivision.

Sec. 9. [16B.07] [COMPETITIVE BIDS.]

Subdivision 1. [APPLICATION.] Except as otherwise provided by this chapter, all contracts for construction or repairs and all purchases of and all contracts for supplies, materials, purchase or rental of equipment, and utility services must be based on competitive bids, and all sales of property must be to the highest responsible bidder after advertising for bids pursuant to this section.

Subd. 2. [REQUIREMENT CONTRACTS.] Standard requirement price contracts for supplies or services to be purchased by the state must be established by competitive bids. The standard requirement price contracts may contain escalation clauses and may provide for a negotiated price increase or decrease based upon a demonstrable industrywide or regional increase or decrease in the vendor's costs. The term of these contracts may not exceed two years with an option on the part of the state to renew for an additional two years.

Subd. 3. [PUBLICATION OF NOTICE; EXPENDITURES OVER \$5,000.] If the amount of an expenditure or sale is estimated to exceed \$5,000, sealed bids must be solicited by public notice inserted at least once in a newspaper or trade journal not less than seven days before the final date of submitting bids. The commissioner shall designate the newspaper or trade journal for that publication, and may designate different newspapers or journals according to the nature of the purchase or contract. The commissioner shall also solicit sealed bids by sending notices by mail to all prospective bidders known to the commissioner, and by posting notice on a public bulletin board in the commissioner's office at least five days before the final date of submitting bids. All bids must be sealed when they are received and must be opened in public at the hour stated in the notice. All original bids and all documents pertaining to the award of a contract must be retained and made a part of a permanent file or record and remain open to public inspection.

Subd. 4. [PURCHASES, SALES, OR RENTALS; \$5,000 OR LESS.] All purchases or sales the amount of which is estimated to be \$5,000 or less may be made either upon competitive bids or in the open market, in the discretion of the commissioner. So far as practicable, however, they must be based on at least three competitive bids which must be permanently recorded.

Subd. 5. [STANDARD SPECIFICATIONS, SECURITY.] Contracts and purchases must be based on the standard specifications prescribed and enforced by the commissioner under this chapter, unless otherwise expressly

provided. Each bidder for a contract must furnish security approved by the commissioner to insure the making of the contract for which he bids.

Sec. 10. [16B.08] [BIDS NOT REQUIRED.]

Subdivision 1. [UTILITY SERVICES.] Competitive bids are not required for utility services where no competition exists or where rates are fixed by law or ordinance.

Subd. 2. [SINGLE SOURCE OF SUPPLY.] Competitive bidding is not required for purchases clearly and legitimately limited to a single source of supply, and the purchase price may be best established by direct negotiation.

Subd. 3. [AUCTION IN LIEU OF BIDS.] The commissioner, in lieu of advertising for bids, may sell buildings and other personal property owned by the state and not needed for public purposes at public auction to the highest responsible bidder. A sale under this subdivision may not be made until publication of notice of the sale in a newspaper of general circulation in the area where the property is located and any other advertising the commissioner directs. Any of the property may be withdrawn from the sale prior to the completion of the sale unless the auction has been announced to be without reserve. If the sale is made at public auction a duly licensed auctioneer must be retained to conduct the sale. The auctioneer's fees must be paid from the proceeds from which an amount sufficient to pay them is appropriated.

Subd. 4. [NEGOTIATED CONTRACTS.] In lieu of any of the other requirements of this chapter, the commissioner may negotiate a contract for public work to be performed at a state owned institution or installation if the cost does not exceed \$5,000 and if the head of the affected state agency requests the commissioner to do so. The commissioner shall have prepared whatever plans and specifications for the public work he deems necessary to protect the public interest. Contractor's bonds or security pursuant to chapter 574 are not required for contracts entered into pursuant to this subdivision.

Subd. 5. [FEDERAL GENERAL SERVICES ADMINISTRATION PRICE SCHEDULES.] Notwithstanding anything in this chapter to the contrary, the commissioner may, instead of soliciting bids, contract for purchases with suppliers who have published schedules of prices effective for sales to the General Services Administration of the United States. These contracts may be entered into, regardless of the amount of the purchase price, if the commissioner considers them advantageous and if the purchase price of all the commodities purchased under the contract do not exceed the price specified by the schedule.

Subd. 6. [EMERGENCY PURCHASES.] In emergencies the commissioner may, without calling for bids, contract directly for the repair, rehabilitation, and improvement of a state owned structure or may authorize an agency to do so, and may purchase or may authorize an agency to purchase directly supplies, materials, equipment, or utility services for immediate use. An emergency for the purposes of this subdivision is an unforeseen occurrence or combination of circumstances which calls for immediate action in the public interest.

Subd. 7. [SPECIFIC PURCHASES.] The following may be purchased without regard to the competitive bidding requirements of this chapter:

(1) fiber used in the manufacture of binder twine, ply twines, and rope at

the state correctional facilities;

(2) merchandise for resale at state park refectories or facility operations;

(3) farm and garden products, which may be sold at the prevailing market price on the date of the sale;

(4) meat for other state institutions from the vocational school maintained at Pipestone by Independent School District No. 583; and

(5) furniture from the Minnesota correctional facility-St. Cloud.

Sec. 11. [16B.09] [CONTRACTS AND PURCHASES, AWARD.]

Subdivision 1. [LOWEST RESPONSIBLE BIDDER.] All state contracts and purchases made by or under the supervision of the commissioner or an agency for which competitive bids are required must be awarded to the lowest responsible bidder, taking into consideration conformity with the specifications, terms of delivery, and other conditions imposed in the call for bids. The commissioner may decide which is the lowest responsible bidder for all purchases. As to contracts other than for purchases, the head of the interested agency shall make the decision, subject to the approval of the commissioner. Any bid may be rejected. In a case where competitive bids are required and where all bids are rejected, new bids, if solicited, must be called for as in the first instance, unless otherwise provided by law.

Subd. 2. [ALTERATIONS AND ERASURES.] A bid containing an alteration or erasure of any price contained in the bid which is used in determining the lowest responsible bid must be rejected unless the alteration or erasure is corrected pursuant to this subdivision. An alteration or erasure may be crossed out and the correction printed in ink or typewritten adjacent to it and initialed in ink by the person signing the bid.

Subd. 3. [SPECIAL CIRCUMSTANCES.] The commissioner may reject the bid of any bidder who has failed to perform a previous contract with the state. In the case of identical low bids from two or more bidders, the commissioner may, in his discretion, use negotiated procurement methods with the tied low bidders for that particular transaction, so long as the price paid does not exceed the low tied bid price.

Subd. 4. [RECORD.] A record must be kept of all bids, including names of bidders, amounts of bids, and each successful bid. This record is open to public inspection.

Sec. 12. [16B.10] [RECIPROCAL PREFERENCE.]

Subdivision 1. [RESIDENT PREFERENCE.] When a public contract is to be awarded to the lowest responsible bidder a resident bidder must be given preference over a nonresident bidder from a state which gives or requires a preference to bidders from that state. The preference shall be equal to the preference given or required by the state of the nonresident bidder.

Subd. 2. [DEFINITION.] "Resident bidder" as used in this section means a person, firm, or corporation authorized to engage in business in the state of Minnesota and having a bona fide establishment for doing business within the state of Minnesota on the date when any bid for a public contract is first advertised or announced, and includes a foreign corporation authorized to engage in business in Minnesota and having a bona fide establishment for the

doing of business within the state.

Subd. 3. [EXCEPTION.] The provisions of subdivisions 1 and 2 do not apply to a contract for a project for which federal funds are available.

Sec. 13. [16B.11] [PREFERENCE FOR MINNESOTA CONTRACTORS.]

Subdivision 1. [DEFINITIONS.] For the purposes of this section, the following terms have the meanings given them:

(a) "Municipality" has the meaning assigned to it in section 471.345, subdivision 1;

(b) "Public agency" includes all state agencies, the University of Minnesota, the state university board, and the state board for community colleges;

(c) "Resident" means:

(1) any individual who has been a resident of Minnesota for one year or more immediately prior to bidding on or performing work under the contract;

(2) any partnership or association whose members have been residents of Minnesota for one year or more immediately prior to bidding on or performing work under the contract; and

(3) a corporation, incorporated in Minnesota, which has been in existence for one year or more immediately prior to bidding on or performing work under the contract, or which has its principal place of business in Minnesota; and

(d) "State agency" means an agency as defined in section 14.02, subdivision 2.

Subd. 2. [RESIDENT CONTRACTORS PREFERRED.] Notwithstanding any other law to the contrary, a contract awarded by a public agency for the engineering services, erection, construction, alteration, or repair of a public building or structure, or for any public work or improvement for which competitive bidding is not required by law, must be awarded to a Minnesota resident. If competitive bidding is required by law, the contract must be awarded to the resident making the lowest responsible bid if the resident's bid is not more than ten percent higher than the lowest responsible nonresident bid. A successful resident bidder may not subcontract more than 20 percent of the work covered by the contract to nonresident subcontractors.

Subd. 3. [MINNESOTA LABOR PREFERRED.] All contracts subject to subdivision 2 must require that, wherever possible, resident laborers, workers, and mechanics be used to perform all work covered by the contract.

Subd. 4. [PREFERENCE SUBJECT TO FEDERAL LAW.] The provisions of this section are subject to applicable laws of the United States and regulations of federal agencies governing the use and payment of funds granted or advanced by the United States.

Sec. 14. [16B.12] [PREFERENCE FOR MINNESOTA AND AMERICAN MADE MATERIALS.]

Subdivision 1. [DEFINITIONS.] As used in this section, the following terms have the meanings given them:

(a) "Public agency" has the meaning assigned to it in section 13, subdivision 1, clause (b), and includes any contractor acting pursuant to a contract with a public agency;

(b) "Materials" means any goods, supplies, equipment or any other tangible products or materials, including foods;

(c) "Manufactured" means mined, grown, produced, manufactured, fabricated or assembled;

(d) "Manufactured in Minnesota" means manufactured in whole or in substantial part within Minnesota, or that the majority of its components were manufactured in whole or in substantial part in Minnesota, or manufactured in the United States by an individual, corporation, partnership or association;

(e) "Manufactured in the United States" means manufactured in whole or in substantial part within the United States or that the majority of the component parts thereof were manufactured in whole or in substantial part in the United States;

(f) "Purchase" means acquire by purchase or lease.

Subd. 2. [PURCHASE PREFERENCE.] Notwithstanding the provisions of any other law to the contrary, no materials may be purchased by a public agency for use for governmental purposes which are not manufactured in Minnesota or the United States, except as may be provided in this section. When all other factors are substantially equal, preference must be given first to those products which are manufactured to the greatest extent in Minnesota, and second to those products which are manufactured to the greatest extent in the United States. To the extent possible, specifications must be written so as to permit the public agency to purchase materials manufactured in Minnesota.

Subd. 3. [EXEMPTIONS.] Subdivision 2 does not apply if the person having contracting authority in respect to the purchase determines that (1) the materials are not manufactured in Minnesota or the United States in sufficient or reasonably available quantities, (2) the price or bid of the materials exceeds by more than ten percent the price or bid of available and comparable materials manufactured outside of Minnesota or the United States, (3) the quality of the materials is substantially less than the quality of comparably priced available materials manufactured outside of Minnesota or the United States, or (4) the purchase of the materials manufactured in Minnesota or the United States is otherwise not in the public interest. Subdivision 2 also does not apply if the materials are purchased with a view to commercial resale or with a view to use in the production of goods for commercial sale.

SPECIAL PURCHASING SITUATIONS

Sec. 15. [16B.13] [ADVERTISEMENT OF HIGHWAY CONTRACTS.]

Notwithstanding anything in chapter 16B to the contrary, all contracts for the repair, improvement, maintenance, or construction of highways or highway bridges must be advertised and let as provided by law for highway construction contracts.

Sec. 16. [16B.14] [CERTAIN VEHICLES.]

Upon the written request of the commissioner of public safety, motor vehicles for specific use by investigative and undercover agents of the department of public safety must be purchased by the brand make and model. All other provisions of this chapter relating to competitive bidding apply to purchases covered by this section.

Sec. 17. [16B.15] [ELECTRONIC DATA PROCESSING EQUIPMENT.]

Subdivision 1. [COMMISSIONER MAY REJECT BIDS.] The commissioner may reject all bids for electronic data processing equipment, related equipment, and software and may negotiate a contract for this equipment if the commissioner finds the bids to be unsatisfactory because of failure to fully comply with the specifications, terms, and conditions of the call for bids. The contract must be awarded to the vendor offering the lowest price to the state taking into consideration the specifications, terms, and conditions agreed upon pursuant to negotiation.

Subd. 2. [EQUIPMENT.] The commissioner may purchase, sell, repurchase or otherwise undertake the acquisition, rental or disposal of electronic data processing equipment as best serves the interests of the state, provided, however, the commissioner shall adhere to the competitive bidding requirements of chapter 16.

Sec. 18. [16B.16] [ENERGY EFFICIENCY INSTALLMENT PURCHASES.] *The commissioner shall contract to purchase by installment payments capital or other equipment or services intended to improve the energy efficiency of a state building or facility if:*

- (1) the term of the contract does not exceed ten years;*
- (2) the entire cost of the contract is a percentage of the resultant savings in energy costs;*
- (3) the contract for purchase is competitive; and*
- (4) the state may unilaterally cancel the agreement if the legislature fails to appropriate funds to continue the contract.*

The commissioner may spend money appropriated for energy costs in payment of a contract under this section.

Sec. 19. [16B.17] [CONSULTANTS AND TECHNICAL SERVICES.]

Subdivision 1. [TERMS.] For purposes of this section, the following terms have the meanings given them:

(a) [CONSULTANT SERVICES.] "Consultant services" means services which are intellectual in character; which do not involve the provision of supplies or materials; which include analysis, evaluation, prediction, planning, or recommendation; and which result in the production of a report.

(b) [PROFESSIONAL AND TECHNICAL SERVICES.] "Professional and technical services" means services which are predominantly intellectual in character; which do not involve the provision of supplies or materials; and in which the final result is the completion of a task rather than analysis, evaluation, prediction, planning, or recommendation.

Subd. 2. [PROCEDURE FOR CONSULTANT AND PROFESSIONAL

AND TECHNICAL SERVICES CONTRACTS.] *Before approving a proposed state contract for consultant services or professional and technical services the commissioner must determine, at least, that:*

(1) all provisions of section 21 and subdivision 3 of this section have been verified or complied with;

(2) the work to be performed under the contract is necessary to the agency's achievement of its statutory responsibilities, and there is statutory authority to enter into the contract;

(3) the contract will not establish an employment relationship between the state or the agency and any persons performing under the contract;

(4) no current state employees will engage in the performance of the contract;

(5) no state agency has previously performed or contracted for the performance of tasks which would be substantially duplicated under the proposed contract; and

(6) the contracting agency has specified a satisfactory method of evaluating and using the results of the work to be performed.

Subd. 3. [DUTIES OF CONTRACTING AGENCY.] Before an agency may seek approval of a consultant or professional and technical services contract valued in excess of \$2,000, it must certify to the commissioner that:

(1) no state employee is able to perform the services called for by the contract;

(2) the normal competitive bidding mechanisms will not provide for adequate performance of the services;

(3) the services are not available as a product of a prior consultant or professional and technical services contract, and the contractor has certified that the product of his services will be original in character;

(4) reasonable efforts were made to publicize the availability of the contract;

(5) the agency has received, reviewed, and accepted a detailed work plan from the contractor for performance under the contract; and

(6) the agency has developed, and fully intends to implement, a written plan providing for the assignment of specific agency personnel to a monitoring and liaison function; the periodic review of interim reports or other indications of past performance, and the ultimate utilization of the final product of the services.

Subd. 4. [REPORTS.] After completion of performance under a consultant or professional and technical services contract, the agency shall evaluate the performance under the contract and the utility of the final product. This evaluation must be delivered to the commissioner, who shall retain all the evaluations for future reference. The commissioner shall submit to the governor and the legislature a monthly listing of all contracts for consultant services and for professional and technical services executed or disapproved in the preceding month. The report must identify the parties and the contract amount, duration, and tasks to be performed. The commissioner shall also

issue quarterly reports summarizing the contract review activities of the department during the preceding quarter.

Subd. 5. [CONTRACT TERMS.] A consultant or technical and professional services contract must by its terms permit the agency to unilaterally terminate the contract prior to completion, upon payment of just compensation, if the agency determines that further performance under the contract would not serve agency purposes. If the final product of the contract is to be a report, no more than three copies of the report, one in camera ready form, shall be submitted to the agency. One of the copies must be filed with the legislative reference library.

Sec. 20. [16B.18] [SHELTERED WORKSHOPS; PROCUREMENT OF PRODUCTS AND SERVICES; WORK ACTIVITY PROGRAMS.]

Subdivision 1. [PRODUCT AND SERVICE LIST.] The commissioner in consultation with the commissioner of economic security shall prepare a list containing products and services of state certified sheltered workshops and work activity programs for procurement use by state agencies and institutions. The commissioner shall determine the fair market price for listed products and services. In determining the fair market price the commissioner shall consider (1) open market bid prices in previous years for similar products and services, and (2) cost increases for both labor and materials. The price paid may not exceed by more than five percent the fair market price. State agencies and institutions shall, after promulgation of the product and service list by the commissioner, procure listed products and services from sheltered workshops and work activity programs in preference to procurement from other suppliers or sources with the exceptions in this section. The provisions of this chapter relating to competitive bidding do not apply to purchases made in accordance with this section.

Subd. 2. [PRODUCTS AND SERVICES AVAILABLE ELSEWHERE.] When any listed products or services are available for procurement from any state agency or institution and procurement from the agency or institution is required by law, the procurement must be made in accordance with that law.

Subd. 3. [RULES.] Rules under this section may provide a procedure by which the commissioner shall determine product specifications, quality standards, and timing of delivery to be complied with by the sheltered workshop and work activity program boards on purchases made under this section. The list to be prepared pursuant to subdivision 1 shall not be promulgated as a rule.

Subd. 4. [SELECTION OF NONPROFIT CORPORATION.] The commissioner may select a nonprofit corporation organized under chapter 317 to facilitate distribution of orders among sheltered workshops and work activity programs. The corporation shall distribute orders so as to afford each sheltered workshop and work activity program an equal opportunity to obtain orders.

Sec. 21. [16B.19] [PROCUREMENT FROM SMALL BUSINESSES.]

Subdivision 1. [SMALL BUSINESS AND MINNESOTA CORRECTIONAL INDUSTRIES SET-ASIDES.] The commissioner shall for each fiscal year designate and set aside for awarding to small businesses and Minnesota correctional industries approximately 25 percent of the value of

anticipated total state procurement of goods and services including printing and construction. The commissioner shall divide the procurements so designated into contract award units of economically feasible production runs in order to facilitate offers or bids from small businesses and Minnesota correctional industries. In making his annual designation of set-aside procurements the commissioner shall attempt (1) to vary the included procurements so that a variety of goods and services produced by different small businesses are set aside each year, and (2) to designate set-aside procurements in a manner that will encourage proportional distribution of set-aside awards among the geographical regions of the state. To promote the geographical distribution of set-aside awards, the commissioner may designate a portion of the small business set-aside procurement for award to bidders from a specified congressional district or other geographical region specified by the commissioner. The failure of the commissioner to set aside particular procurements shall not be deemed to prohibit or discourage small businesses or Minnesota correctional industries from seeking the procurement award through the normal solicitation and bidding processes.

Subd. 2. [CONSULTANT, PROFESSIONAL AND TECHNICAL PROCUREMENTS.] Every state agency shall for each fiscal year designate and set aside for awarding to small businesses with their principal place of business in Minnesota approximately 25 percent of the value of anticipated procurements of that agency for consultant services or professional and technical services. The set-aside under this subdivision is in addition to that provided by subdivision 1, but shall otherwise comply with section 19 and the set-aside for businesses owned and operated by socially or economically disadvantaged persons.

Subd. 3. [NEGOTIATED PRICE OR BID CONTRACT.] The commissioner may elect to use either a negotiated price or bid contract procedure in the awarding of a procurement contract under the set-aside program established in sections 21 to 24. The amount of an award may not exceed by more than five percent the commissioner's estimated price for the goods or services, if they were to be purchased on the open market and not under this set-aside program. Surety bonds guaranteed by the federal Small Business Administration and second party bonds are acceptable security for a construction award under this section. "Second party bond" means a bond which designates as principal, guarantor, or both, a person or persons in addition to the person to whom the contract is proposed for award.

Subd. 4. [DETERMINATION OF ABILITY TO PERFORM.] Before announcing a set-aside award, the commissioner shall evaluate whether the small business or Minnesota correctional industry scheduled to receive the award is able to perform the set-aside contract. This shall be done in consultation with an authorized agent of the Minnesota correctional industries program. This determination shall include consideration of production and financial capacity and technical competence.

Subd. 5. [PREFERENCE TO SMALL BUSINESSES.] At least 24 percent of the value of the procurements designated for set-aside awards shall be awarded, if possible, to businesses owned and operated by socially or economically disadvantaged persons as defined in section 645.445. The commissioner shall designate set-aside procurements in a manner that will encourage proportional distribution of set-aside awards among the

geographical regions of the state. To promote the geographical distribution of set-aside awards, the commissioner may designate a portion of the set-aside for small businesses owned and operated by socially or economically disadvantaged persons for award to bidders from a specified congressional district or other geographical region specified by the commissioner. In the event small businesses owned and operated by socially or economically disadvantaged persons are unable to perform at least 24 percent of the set-aside awards, the commissioner shall award the balance of the set-aside contracts to other small businesses. At least 50 percent of the value of the procurements awarded to businesses owned and operated by socially or economically disadvantaged persons shall actually be performed by the business to which the award is made or another business owned and operated by a socially or economically disadvantaged person or persons. The commissioner may not designate more than 20 percent of any commodity class for set-aside to businesses owned and operated by socially or economically disadvantaged persons. A business owned and operated by socially or economically disadvantaged persons that has been awarded more than five percent of the value of the total anticipated set-aside procurements for a fiscal year under this subdivision is disqualified from receiving further set-aside awards for that fiscal year.

Subd. 6. [CONTRACTS IN EXCESS OF \$200,000; SET-ASIDE.] The commissioner as a condition of awarding state procurements for construction contracts or approving contracts for consultant, professional, or technical services pursuant to section 19 in excess of \$200,000 shall require that at least ten percent of the contract award to a prime contractor be subcontracted to a business owned and operated by a socially or economically disadvantaged person or persons. Any subcontracting pursuant to this subdivision may not be included in determining the total amount of set-aside awards required by subdivisions 1, 1a, and 4, or any preference program authorized by the commissioner pursuant to section 24. In the event small businesses owned and operated by socially and economically disadvantaged persons are unable to perform ten percent of the prime contract award, the commissioner shall require that other small businesses perform at least ten percent of the prime contract award. The commissioner may determine that small businesses owned and operated by socially and economically disadvantaged persons are unable to perform at least ten percent of the prime contract award prior to the advertising for bids. Each construction contractor bidding on a project over \$200,000 shall submit with the bid a list of the businesses owned and operated by socially or economically disadvantaged persons that are proposed to be utilized on the project with a statement indicating the portion of the total bid to be performed by each business. The commissioner shall reject any bid to which this subdivision applies that does not contain this information. Prime contractors receiving construction contract awards in excess of \$200,000 shall furnish to the commissioner the name of each business owned and operated by a socially or economically disadvantaged person or persons or other small business that is performing work on the prime contract and the dollar amount of the work performed.

Subd. 7. [PREFERENCE TO MINNESOTA CORRECTIONAL INDUSTRIES.] At least 15 percent of the value of procurements designated for set-aside awards shall be awarded, if possible, to Minnesota correctional industries, established and under the control of the commissioner of corrections under section 241.27, for the variety of goods and services produced by the Minnesota correctional industries, unless the commissioner of corrections acting through an authorized agent certifies that Minnesota correctional

industries cannot provide them. If the correctional industries are unable to perform at least 15 percent of the set-aside awards, the commissioner shall award the balance of the set-aside contracts to small businesses.

Subd. 8. [RECOURSE TO OTHER BUSINESSES.] *In the event that subdivisions 1 to 4b do not operate to extend a contract award to a small business or the Minnesota correctional industries, the award must be placed pursuant to the normal solicitation and award provisions in this chapter. The commissioner shall then designate and set aside for small businesses or the Minnesota correctional industries additional state procurements corresponding in approximate value to the contract unable to be awarded pursuant to subdivisions 1 to 4b.*

Subd. 9. [PROCUREMENT PROCEDURES.] *All laws and rules pertaining to solicitations, bid evaluations, contract awards, and other procurement matters apply equally to procurements set aside for small businesses or Minnesota correctional industries. In the event of conflict with other rules, sections 21 to 24 and rules adopted under those sections govern.*

Sec. 22. [16B.20] [ENCOURAGEMENT OF PARTICIPATION; ADVISORY COUNCIL.]

Subdivision 1. [COMMISSIONER OF ADMINISTRATION.] *The commissioners of administration and energy and economic development shall publicize the provisions of the set-aside program, attempt to locate small businesses able to perform set-aside procurement awards, and encourage participation. When the commissioner of administration determines that a small business is unable to perform under a set-aside contract, the commissioner shall inform the commissioner of energy and economic development who shall assist the small business in attempting to remedy the causes of the inability to perform a set-aside award. In assisting the small business, the commissioner of energy and economic development in cooperation with the commissioner of administration shall use management or financial assistance programs made available by or through the department of energy and economic development, other state or governmental agencies, or private sources.*

Subd. 2. [ADVISORY COUNCIL.] *A small business procurement advisory council is created. The council consists of 13 members appointed by the governor. A chairperson of the advisory council shall be elected from among the members. The appointments are subject to the appointments program provided by section 15.0597. The terms and removal of members are as provided in section 15.059, but members do not receive per diem or expenses.*

Subd. 3. [DUTIES.] *The small business procurement advisory council shall:*

(1) advise the commissioner of administration on matters relating to the small business procurement program;

(2) review complaints or grievances from small business vendors or contractors who are doing or attempting to do business under the program; and

(3) review the reports of the commissioners of administration and energy and economic development provided by section 23 to ensure compliance

with the goals of the program.

Sec. 23. [16B.21] [REPORTS.]

Subdivision 1. [COMMISSIONER OF ADMINISTRATION.] The commissioner shall submit an annual report pursuant to section 3.195 to the governor and the legislature with a copy to the commissioner of energy and economic development indicating the progress being made toward the objectives and goals of sections 21 to 24 during the preceding fiscal year. The commissioner shall also submit a quarterly report to the small business procurement advisory council. These reports shall include the following information:

(1) the total dollar value and number of potential set-aside awards identified during this period and the percentage of total state procurement this figure reflects;

(2) the number of small businesses identified by and responding to the set-aside program, the total dollar value and number of set-aside contracts actually awarded to small businesses with appropriate designation as to the total number and value of set-aside contracts awarded to each small business, and the total number of small businesses that were awarded set-aside contracts;

(3) the total dollar value and number of set-aside contracts awarded to small businesses owned and operated by economically or socially disadvantaged persons with appropriate designation as to the total number and value of set-aside contracts awarded to each small business and to each category of economically or socially disadvantaged persons as defined by section 645.445 and agency rules, and the percentages of the total state procurement the figures of total dollar value and the number of set-asides reflect; and

(4) the number of contracts which were designated and set aside pursuant to section 21 but which were not awarded to a small business, the estimated total dollar value of these awards, the lowest offer or bid on each of these awards made by the small business, and the price at which these contracts were awarded pursuant to the normal procurement procedures.

The information required by paragraphs (1) and (2) must be presented on a statewide basis and also broken down by geographic regions within the state.

Subd. 2. [COMMISSIONER OF ENERGY AND ECONOMIC DEVELOPMENT.] The commissioner of energy and economic development shall submit an annual report to the governor and the legislature pursuant to section 3.195 with a copy to the commissioner of administration. This report shall include the following information:

(1) the efforts undertaken to publicize the provisions of the set-aside program during the preceding fiscal year;

(2) the efforts undertaken to identify small businesses including those owned and operated by socially or economically disadvantaged persons, and the efforts undertaken to encourage participation in the set-aside program;

(3) the efforts undertaken by the commissioner to remedy the inability of small businesses to perform on potential set-aside awards; and

(4) the commissioner's recommendations for strengthening the set-aside program and delivery of services to small businesses.

Sec. 24. [16B.22] [RULES.]

The commissioner shall adopt by rule standards and procedures for certifying that small businesses and small businesses owned and operated by socially or economically disadvantaged persons are eligible to participate under the requirements of sections 21 to 24. The rules shall provide that certification as a small business owned and operated by socially or economically disadvantaged persons will be for a maximum of five years from the date of receipt of the first set-aside award, and that after the expiration of the certification period the business may not again be certified for a five-year period. The commissioner shall adopt by rule standards and procedures for hearing appeals and grievances and other rules necessary to carry out the duties set forth in sections 21 to 24.

The commissioner may make rules which exclude or limit the participation of nonmanufacturing business, including third-party lessors, jobbers, manufacturers' representatives, and others from eligibility under sections 21 to 24.

The commissioner may adopt rules to establish a preference program whereby businesses owned and operated by socially and economically disadvantaged persons would be allowed a five percent preference in the bid amount on selected state procurements or a preference program whereby businesses owned and operated by socially and economically disadvantaged persons would be awarded any state procurement if the business could meet the low bid amount for that procurement. Each of the preference programs is applicable to no more than 1.5 percent of the value of anticipated total state procurements of goods and services, including construction. Each preference program established by the commissioner expires on June 30, 1986, and the commissioner shall report to the legislature on the progress of the program by January 1, 1986.

Sec. 25. [16B.23] [DISTRICT HEATING.]

Notwithstanding any other law, general or special, the commissioner of administration is authorized to enter into or approve a written agreement not to exceed 31 years with a district heating utility that will specify, but not be limited to, the appropriate terms and conditions for the interchange of district heating services.

MANAGEMENT OF STATE PROPERTY

Sec. 26 [16B.24] [GENERAL AUTHORITY.]

Subdivision 1. [OPERATION AND MAINTENANCE OF BUILDINGS.] The commissioner is authorized to maintain and operate the state capitol building and grounds, subject to whatever standards and policies are set for its appearance and cleanliness by the capitol area architectural and planning board and the commissioner pursuant to section 15.50, subdivision 2, clause (h), and the state office building, the historical society building, the Normandale, Anoka-Ramsey, North Hennepin, Lakewood, Metropolitan, and South East Metropolitan Community Colleges, the employment services buildings in Minneapolis and St. Paul, the state department of health building, and the surplus property building, and their grounds, and, when the

commissioner considers it advisable and practicable, any other building or premises owned or rented by the state for the use of a state agency. The commissioner shall assign and reassign office space in the capitol and state buildings to make an equitable division of available space among agencies. The power granted in this subdivision does not apply to state hospitals or to educational, penal, correctional, or other institutions not enumerated in this subdivision the control of which is vested by law in some other agency.

Subd. 2. [REPAIRS.] The commissioner shall supervise and control the making of necessary repairs to all state buildings and structures, except structures, other than buildings, under the control of the state transportation department; provided that all repairs to the public and ceremonial areas and the exterior of the state capitol building shall be carried out subject to the standards and policies of the capitol area architectural and planning board and the commissioner of administration adopted pursuant to section 15.50, subdivision 2, clause (h).

Subd. 3. [DISPOSAL OF OLD BUILDINGS.] The commissioner, upon request of the head of an agency which has control of a state owned building which is no longer used or which is a fire or safety hazard, shall, after obtaining approval of the chairmen of the senate finance committee and house of representatives appropriations committee, sell, wreck, or otherwise dispose of the building. In the event a sale is made the proceeds shall be deposited in the proper account or in the general fund.

Subd. 4. [INSPECTIONS; APPRAISALS; INVENTORIES.] The commissioner shall provide for the periodic inspection and appraisal of all state property, real and personal, and for current and perpetual inventories of all state property. The commissioner shall require agencies to make reports of the real and personal property in their custody at the intervals and in the form the commissioner considers necessary.

Subd. 5. [RENTING OUT STATE PROPERTY.] (a) [AUTHORITY.] The commissioner may rent out state property, real or personal, that is not needed for public use, if the rental is not otherwise provided for or prohibited by law. The property may not be rented out for more than two years at a time without the approval of the state executive council, and may never be rented out for more than 25 years.

(b) [RESTRICTIONS.] Paragraph (a) does not apply to state trust fund lands, other state lands under the jurisdiction of the department of natural resources, lands forfeited for delinquent taxes, lands acquired under section 298.22, or lands acquired under section 41.56 which are under the jurisdiction of the department of agriculture.

(c) [FORT SNELLING CHAPEL; RENTAL.] The Fort Snelling Chapel, located within the boundaries of Fort Snelling State Park, is available for use only on payment of a rental fee. The commissioner shall establish rental fees for both public and private use. The rental fee for private use by an organization or individual must reflect the reasonable value of equivalent rental space. Rental fees collected under this section must be deposited in the general fund.

(d) [RENTAL OF LIVING ACCOMMODATIONS.] The commissioner shall establish rental rates for all living accommodations provided by the

state for its employees. Money collected as rent by state agencies pursuant to this paragraph must be deposited in the state treasury and credited to the general fund.

(e) [LEASE OF SPACE IN CERTAIN STATE BUILDINGS TO STATE AGENCIES.] *The commissioner may lease portions of the state owned buildings in the capitol complex, the capitol square building, the health building, and the building at 1246 University Avenue, St. Paul, Minnesota, to state agencies and charge rent on the basis of space occupied. Notwithstanding any law to the contrary, all money collected as rent pursuant to the terms of this section shall be deposited in the state treasury. Money collected as rent to recover the depreciation cost of a building built with state dedicated funds shall be credited to the dedicated fund which funded the original acquisition or construction. All other money received shall be credited to the general fund.*

Subd. 6. [PROPERTY RENTAL.] (a) [LEASES.] *The commissioner shall rent land and other premises when necessary for state purposes. The commissioner may lease land or premises for five years or less, subject to cancellation upon 30 days written notice by the state for any reason except rental of other land or premises for the same use. The commissioner may not rent non-state-owned land and buildings or substantial portions of land or buildings within the capitol area as defined in section 15.50 unless the commissioner first consults with the capitol area architectural and planning board. Lands needed by the department of transportation for storage of vehicles or road materials may be rented for five years or less, such leases for terms over two years being subject to cancellation upon 30 days written notice by the state for any reason except rental of other land or premises for the same use.*

(b) [USE VACANT PUBLIC SPACE.] *No agency may initiate or renew a lease for space for its own use in a private building unless the commissioner has thoroughly investigated presently vacant space in public buildings, such as closed school buildings, and found that none is available.*

(c) [PREFERENCE FOR CERTAIN BUILDINGS.] *For needs beyond those which can be accommodated in state owned buildings, the commissioner shall acquire and utilize space in suitable buildings of historical, architectural, or cultural significance for the purposes of this subdivision unless use of that space is not feasible, prudent and cost effective compared with available alternatives. Buildings are of historical, architectural, or cultural significance if they are listed on the national register of historic places, designated by a state or county historical society, or designated by a municipal preservation commission.*

Subd. 7. [POWER, HEATING, AND LIGHTING PLANTS.] *The commissioner shall inspect all state power, heating, and lighting plants, make rules governing their operation, and recommend improvements in the plants which will promote their economical and efficient operation.*

Subd. 8. [REGIONAL SERVICE CENTER.] *The commissioner may establish a regional service center on a demonstration basis. The commissioner shall select agencies to participate in the demonstration service center and determine equitable methods of sharing space, personnel and equipment. The commissioner may enter into a lease for a base term of five years with a five year leasehold renewal option to acquire suitable space for the service*

center.

Sec. 27. [16B.25] [LOST PROPERTY ON STATE LANDS.]

Subdivision 1. [PERMITS.] The commissioner may grant a permit to search upon lands, highways, or in buildings owned by the state for lost or abandoned property. Conditions of a permit may include a formula for dividing between the state and the finder the proceeds of any property found and unclaimed.

Subd. 2. [NOTICE.] Lost or abandoned property found on state lands is placed in the custody of the commissioner. If the rightful owner is known, the owner must be notified by certified mail and may reclaim the property on paying the expenses of the search. If the owner is unknown, the commissioner must give two weeks' published notice in the county where the property was found. Within six months following publication, the rightful owner may receive the property on paying the search expenses.

Subd. 3. [DISPOSAL.] Unclaimed property may be sold at public sale, disposed of as state surplus property, or destroyed, based on the commissioner's judgment of its value.

Subd. 4. [MONEY.] All lost or abandoned money found under a permit granted pursuant to this section, and the proceeds from the sale of other abandoned or lost property found under a permit, must be deposited in the general fund.

Sec. 28. [16B.26] [UTILITY COMPANIES, PERMITS TO CROSS STATE-OWNED LANDS.]

Subdivision 1. [EASEMENTS.] (a) [AUTHORITY.] Except where the authority conferred by this section has been imposed on some other state or county office, the commissioner may grant an easement or permit over, under, or across any land owned by the state for the purpose of constructing roads, streets, telephone, telegraph, and electric power lines, cables or conduits, underground or otherwise, or mains or pipe lines for gas, liquids, or solids in suspension. This authority does not apply to land under the jurisdiction of the commissioner of natural resources or land obtained for trunk highway purposes.

(b) [NOTICE OF REVOCATION.] An easement or permit is revocable by written notice given by the commissioner if at any time its continuance will conflict with a public use of the land over, under, or upon which it is granted, or for any other reason. The notice must be in writing and is effective 90 days after the notice is sent by certified mail to the last known address of the record holder of the easement. If the address of the holder of the easement or permit is not known, it expires 90 days after the notice is recorded in the office of the county recorder of the county in which the land is located. Upon revocation of an easement, the commissioner may allow a reasonable time to vacate the premises affected.

(c) [EASEMENT RUNS WITH LAND.] State land subject to an easement or permit granted by the commissioner remains subject to sale or lease, and the sale or lease does not revoke the permit or easement granted.

Subd. 2. [LAND CONTROLLED BY OTHER AGENCIES.] If the easement or permit involves land under the jurisdiction of an agency other than

the department of administration, it is subject to the approval of the head of the agency and is subject to revocation by the commissioner as provided in this section, on request of the head of the agency.

Subd. 3. [APPLICATION.] An application for easement or permit under this section must be in quadruplicate and must include: a legal description of the land affected; a map showing the area affected by the easement or permit; and a detailed design of any structures to be placed on the land. The commissioner may require that the application be in another form and include other descriptions, maps, or designs. The commissioner may at any time order changes or modifications respecting construction or maintenance of structures or other conditions of the easement which the commissioner finds necessary to protect the public health and safety.

Subd. 4. [FORM; DURATION.] The easement or permit must be in a form prescribed by the attorney general and must describe the location of the easement granted. The easement or permit continues until revoked by the commissioner, subject to change or modification as provided in this section.

Subd. 5. [CONSIDERATION; TERMS.] The commissioner may prescribe consideration and conditions for granting an easement or permit. Money received by the state under this section must be credited to the fund to which income or proceeds of sale from the land would be credited, if provision for the sale is made by law. Otherwise, it must be credited to the general fund.

Sec. 29. [16B.27] [GOVERNOR'S RESIDENCE.]

Subdivision 1. [USE.] The governor's residence must be used for official ceremonial functions of the state, and to provide suitable living quarters for the governor of the state.

Subd. 2. [MAINTENANCE.] The commissioner shall maintain the governor's residence in the same way as other state buildings are maintained and shall rehabilitate, decorate, and furnish the building. The decoration and furnishing shall be guided by the governor's residence council.

Subd. 3. [COUNCIL.] The governor's residence council consists of the following 15 members: the commissioner; the spouse, or a designee of the governor; the executive director of the Minnesota state arts board; the director of the Minnesota historical society; a member of the senate appointed pursuant to the rules of the senate; a member of the house of representatives appointed pursuant to the rules of the house of representatives; seven persons appointed by the governor including one in the field of higher education, one member of the American Society of Interior Designers, Minnesota Chapter, one member of the American Institute of Architects, Minnesota chapter, one member of the American Society of Landscape Architects, Minnesota Chapter, one member of the family that donated the governor's residence to the state, if available, and four public members. Members of the council serve without compensation. Membership terms, removal, and filling of vacancies for members appointed by the governor are governed by section 15.0575. The council shall elect a chairman and a secretary from among its members. The council shall expire on the date provided by section 15.059, subdivision 5.

Subd. 4. [DUTIES.] The council shall develop an overall restoration plan

for the governor's residence and surrounding grounds and approve alterations in the existing structure.

Subd. 5. [GIFTS.] (a) To maintain and improve the quality of furnishings for the public areas of the building, the council may solicit and accept donated money, furnishings, objects of art and other items the council determines may have historical value in keeping with the building's period and purpose. The gift acceptance procedures of sections 7.09 to 7.12 do not apply to this subdivision.

(b) Notwithstanding sections 7.09 to 7.12, the council may solicit contributions for the renovation of and capital improvements to the governor's residence.

(c) Gifts for the benefit of the governor's residence and surrounding grounds are not accepted by the state unless accepted by the council. The council shall maintain a complete inventory of all gifts and articles received.

Sec. 30. [16B.28] [SURPLUS FEDERAL PROPERTY.]

Subdivision 1. [DEFINITIONS.] For purposes of this section the following terms have the meanings given them:

(a) "Surplus property" means commodities, equipment, materials, supplies, books, printed matter, and other property made available by the federal government to a governmental or nonprofit organization.

(b) "Governmental or nonprofit organization" means the state of Minnesota, its departments, agencies, political subdivisions, and other instrumentalities, and any nonprofit and tax-exempt medical institution, hospital, clinic, health center, school, school system, college, university, or other institution organized and existing for any purpose authorized by federal law to accept surplus property.

Subd. 2. [AUTHORIZATION.] The commissioner is the state agency designated to purchase or accept surplus property for the state and for the benefit of any other governmental or nonprofit organization for any purpose authorized by federal law and in accordance with federal rules and regulations. Any governmental or nonprofit organization may designate the commissioner to purchase or accept surplus property for it upon mutually agreeable terms and conditions. The commissioner may store surplus property until it is needed and any expenses incurred in connection with the storage shall be paid from the surplus property revolving fund.

Subd. 3. [REVOLVING FUND.] (a) [CREATION.] To pay for surplus property received from the federal government for governmental or nonprofit organizations, including the expense of accepting and distributing that property, there is a surplus property revolving fund in the state treasury. Money paid into the surplus property revolving fund is appropriated to the commissioner for the purposes of this section.

(b) [ADVANCES.] No more than \$1,000 from the surplus property revolving fund may be advanced to the commissioner or a state employee engaged in performing duties under this section to pay the expenses of travel, subsistence, toll charges, and similar expenses, in accordance with requirements prescribed by the commissioner of finance. When money which was advanced is repaid, it must be deposited in the state treasury to the credit of

the surplus property revolving fund.

(c) [TRANSFER TO STATE AGENCY.] *When the state or an agency operating under a legislative appropriation obtains surplus property from the commissioner, the commissioner of finance must, at the commissioner's request, transfer the cost of the property, including any expenses of accepting and distributing the property, from the appropriation of the state agency receiving the surplus property to the surplus property revolving fund. The determination of the commissioner is final as to the cost of the surplus property to the state agency receiving the property.*

(d) [TRANSFER TO OTHER AGENCIES.] *When any governmental or nonprofit organization other than a state agency receives surplus property from the commissioner, the governmental or nonprofit organization must reimburse the surplus property revolving fund for the cost of the property, including the expenses of accepting and distributing it, in an amount the commissioner sets. The commissioner may, however, require the governmental or nonprofit organization to deposit in advance in the surplus property revolving fund the cost of the surplus property upon mutually agreeable terms and conditions.*

Sec. 31. [16B.29] [STATE SURPLUS PROPERTY; DISPOSAL.]

The commissioner may do any of the following to dispose of supplies, materials, and equipment which are surplus, obsolete, or unused: (1) transfer it to or between state agencies; (2) transfer it to local government units in Minnesota; or (3) sell it. The commissioner must make proper adjustments in the accounts and appropriations of the agencies concerned. When the commissioner sells the supplies, materials and equipment, the proceeds of the sale are appropriated to the agency for whose account the sale was made, to be used and expended by the agency to purchase similar needed supplies, materials and equipment at any time during the biennium in which the sale occurred.

CAPITAL IMPROVEMENTS

Sec. 32. [16B.30] [GENERAL AUTHORITY.]

Subject to other provisions in this chapter, the commissioner shall supervise and control the making of all contracts for the construction of buildings and for other capital improvements to state buildings and structures.

Sec. 33. [16B.31] [COMMISSIONER MUST APPROVE PLANS.]

Subdivision 1. [CONSTRUCTION PLANS AND SPECIFICATIONS.] The commissioner shall (1) have plans and specifications prepared for the construction, alteration, or enlargement of all state buildings, structures, and other improvements except highways and bridges; (2) approve those plans and specifications; (3) advertise for bids and award all contracts in connection with the improvements; (4) supervise and inspect all work relating to the improvements; (5) approve all lawful changes in plans and specifications after the contract for an improvement is let; and (6) approve estimates for payment. This subdivision does not apply to the construction of the zoological gardens.

Subd. 2. [APPROPRIATIONS.] Plans must be paid for out of money appropriated for the purpose of improving or constructing the building. No part of the balance may be expended until the commissioner has secured suitable

plans and specifications, prepared by a competent architect or engineer, and accompanied by a detailed statement of the cost, quality, and description of all material and labor required for the completion of the work. No plan may be adopted, and no improvement made or building constructed, that contemplates the expenditure for its completion of more money than the appropriation for it, unless otherwise provided in this section or the act making the appropriation. The commissioner may not direct or permit any expenditure beyond that appropriated, and any agent of the commissioner violating this provision is guilty of a gross misdemeanor.

Subd. 3. [FEDERAL AID.] (a) [ACCEPTANCE OF AID.] *The commissioner is the state agency empowered to accept money provided for or made available to this state by the United States of America or any federal department or agency for the construction and equipping of any building for state purposes not otherwise provided for by law, other than University of Minnesota buildings, in accordance with the provisions of federal law and any rules or regulations promulgated under federal law. The commissioner may do whatever is required of this state by federal law, rules, and regulations in order to obtain the federal money.*

(b) [FEDERAL FUNDS CONSIDERED PART OF APPROPRIATION.] *The commissioner may after consultation with the chairmen of the senate finance committee and house of representatives appropriations committee, adopt a plan, provide for an improvement, or construct a building that contemplates expenditure for its completion of more money than the appropriation for it, if the excess money is provided by the United States government and granted to the state of Minnesota under federal law or any rule or regulation promulgated under federal law. This federal money, for the purpose of this section, is a part of the appropriation for the project.*

(c) [DELAYED FEDERAL MONEY.] *If an amount is payable to a creditor of the state from a project account which is financed partly with federal money and the project is included in appropriations made to the commissioner for public buildings and equipment, and the amount cannot be paid on time because of a deficiency of money in the project account caused by a delay in the receipt of federal money, the commissioner may provide money needed to pay the amount by temporarily transferring the sum to the project account from any other appropriation made to the commissioner in the same act. Required money for a payment is appropriated for that purpose. When the delayed federal money is received, the commissioner shall have the amount of money transferred returned to the account from which it came.*

Subd. 4. [CAPITOL AREA ARCHITECTURAL AND PLANNING BOARD.] (a) [COMPREHENSIVE USE PLAN; COMPETITIONS.] *Notwithstanding any provision of this section to the contrary, plans for proposed new buildings and for features of existing public buildings in the capitol area which the capitol area architectural and planning board consider to possess architectural significance are subject to section 15.50, subdivision 2, clauses (c) and (e).*

(b) [APPROVAL REQUIRED.] *The preparation of plans and specifications for the capitol area, as defined in section 15.50, may not be initiated, contracted for, or conducted without consultation with the capitol area architectural and planning board to the extent the plans and specifications involve the public and ceremonial areas and the exterior of the capitol building and the lobbies, public concourses, and other features of other public buildings in the capitol area which the capitol area architectural and planning*

board considers to have architectural significance. The commissioner may not approve or adopt plans or specifications for the capitol area unless they have been approved by the capitol area architectural and planning board. The capitol area architectural and planning board must also be advised of and approve changes in plans and specifications which affect projects within the capitol area.

Sec. 34. [16B.32] [ALTERNATIVE ENERGY SOURCES.]

Plans prepared by the commissioner for a new building or for a renovation of 50 percent or more of an existing building or its energy systems must include designs which use active and passive solar energy systems, earth sheltered construction, and other alternative energy sources where feasible.

Sec. 35. [16B.33] [DESIGNER SELECTION BOARD.]

Subdivision 1. [DEFINITIONS.] As used in this section, the following terms have the meanings given them:

(a) "Agency" has the meaning given in section 3, and also includes the University of Minnesota.

(b) "Architect" means an architect or landscape architect registered to practice under sections 326.02 to 326.15.

(c) "Board" means the state designer selection board.

(d) "Designer" means an architect or engineer, or a partnership, association, or corporation comprised primarily of architects or engineers or of both architects and engineers.

(e) "Engineer" means an engineer registered to practice under sections 326.02 to 326.15.

(f) "Person" includes an individual, corporation, partnership, association, or any other legal entity.

(g) "Primary designer" means the designer who is to have primary design responsibility for a project, and does not include designers who are merely consulted by the user agency and do not have substantial design responsibility, or designers who will or may be employed or consulted by the primary designer.

(h) "Project" means an undertaking to construct, erect, or remodel a building by or for the state or an agency.

(i) "User agency" means the agency undertaking a specific project.

Subd. 2. [ORGANIZATION OF BOARD.] (a) [MEMBERSHIP.] *The state designer selection board consists of five individuals, the majority of whom must be Minnesota residents. Each of the following three organizations shall nominate one individual whose name and qualifications shall be submitted to the governor for consideration: the consulting engineers council of Minnesota after consultation with other professional engineering societies in the state; the Minnesota society of architects; and the Minnesota board of the arts. The governor may appoint the three named individuals to the board with the advice and consent of the senate, but the governor may reject a nominated individual and request another nomination. The remaining two members shall also be appointed by the governor with the advice and consent of the senate.*

(b) [NON-VOTING MEMBERS.] *In addition to the five members of the board, two non-voting members shall participate in the interviewing and selection of designers pursuant to this section. One shall be a representative of the commissioner and shall participate in the interviewing and selection of designers for all projects. The other shall be a representative of the user agency, who shall participate in the interviewing and selection of the designers for the project being undertaken by the user agency. The commissioner shall appoint the representative of the user agency in consultation with the user agency.*

(c) [TERMS; COMPENSATION; REMOVAL; VACANCIES.] *The membership terms, compensation, removal of members, and filling of vacancies on the board are as provided in section 15.0575. No individual may serve for more than two consecutive terms.*

(d) [OFFICERS, RULES.] *At its first meeting, the board shall elect a voting member of the board as chairman. The board shall also elect other officers necessary for the conduct of its affairs. The board shall adopt rules governing its operations and the conduct of its meetings. The rules shall provide for the terms of the chairman and other officers.*

(e) [MEETINGS.] *The board shall meet as often as is necessary, not less than twice annually, in order to act expeditiously on requests submitted to it for selection of primary designers.*

(f) [OFFICE, STAFF, RECORDS.] *The department of administration shall provide the board with suitable quarters to maintain an office, hold meetings, and keep records. The commissioner shall designate an employee of the department of administration to serve as executive secretary to the board and shall furnish a secretarial staff to the board as necessary for the expeditious conduct of the board's duties and responsibilities.*

Subd. 3. [AGENCIES MUST REQUEST DESIGNER.] (a) [APPLICATION.] *Upon undertaking a project with an estimated cost greater than \$400,000 or a planning project with estimated fees greater than \$35,000, every user agency, except the capitol area architectural and planning board, shall submit a written request for a primary designer for its project to the commissioner, who shall forward the request to the board. The written request must include a description of the project, the estimated cost of completing the project, a description of any special requirements or unique features of the proposed project, and other information which will assist the board in carrying out its duties and responsibilities set forth in this section.*

(b) [REACTIVATED PROJECT.] *If a project for which a designer has been selected by the board becomes inactive, lapses, or changes as a result of project phasing, insufficient appropriations, or other reasons, the commissioner or the University of Minnesota may, if the project is reactivated, retain the same designer to complete the project.*

(c) [FEE LIMIT REACHED AFTER DESIGNER SELECTED.] *If a project initially estimated to be below the cost and planning fee limits of this subdivision has its cost or planning fees revised so that the limits are exceeded, the project must be referred to the board for designer selection even if a primary designer has already been selected. In this event, the board may, without conducting interviews, elect to retain the previously selected designer if it determines that the interests of the state are best served by that decision and shall notify the commissioner of its determination.*

Subd. 4. [DESIGNER SELECTION PROCESS.] (a) [PUBLICITY.] Upon receipt of a request from a user agency for a primary designer, the board shall publicize the proposed project in order to determine the identity of designers interested in the design work on the project. The board shall establish criteria for the selection process and make this information public, and shall compile data on and conduct interviews of designers. The board's selection criteria must include consideration of each interested designer's performance on previous projects for the state or any other person. Upon completing the process, the board shall select the primary designer and shall state its reasons in writing. Notification to the commissioner of the selection shall be made not more than 60 days after receipt from a user agency of a request for a primary designer. The commissioner shall promptly notify the designer and the user agency. The commissioner shall negotiate the designer's fee and prepare the contract to be entered into between the designer and the user agency.

(b) [CONFLICT OF INTEREST.] The board may not select a designer or firm in which a member of the designer selection board has a current financial interest.

(c) [SELECTION BY COMMISSIONER.] In the event the board receives a request for a primary designer on a project, the estimated cost of which is less than the limit established by subdivision 3, or a planning project with estimated fees of less than the limit established by subdivision 3, the board may submit the request to the commissioner of administration, with or without recommendations, and the commissioner shall thereupon select the primary designer for the project.

(d) [SECOND SELECTION.] If the designer selected for a project declines the appointment or is unable to reach agreement with the commissioner on the fee or the terms of the contract, the commissioner shall, within 60 days after the first appointment, request the board to make another selection.

(e) [SIXTY DAYS TO SELECT.] If the board fails to make a selection and forward its recommendation to the commissioner within 60 days of the user agency's request for a designer, the commissioner may appoint a designer to the project without the recommendation of the board.

(f) [LESS THAN SATISFACTORY PERFORMANCE.] The commissioner, or the University of Minnesota for projects under its supervision, shall forward to the board a written report describing each instance in which the performance of a designer selected by the board or the commissioner has been less than satisfactory. Criteria for determining satisfaction include the ability of the designer to complete design work on time, to provide a design responsive to program needs within the constraints of the budget, to solve design problems and achieve a design consistent with the proposed function of the building, to avoid costly design errors or omissions, and to observe the construction work. These reports are public data and are available for inspection under section 13.03.

Sec. 36. [16B.34] [INMATE LABOR.]

At a state institution or state park or in the maintenance of a state armory, an appropriation for construction, improvements, or maintenance may be expended through the use of inmate or project labor when authorized by the

commissioner with the concurrence of the head of the interested state department.

Sec. 37. [16B.35] [ART IN STATE BUILDINGS.]

Subdivision 1. [PERCENT OF APPROPRIATIONS FOR ART.] An appropriation for the construction or alteration of any state building may contain an amount not to exceed one percent of the total appropriation for the building for the acquisition of works of art, excluding landscaping, which may be an integral part of the building or its grounds, attached to the building or grounds or capable of being displayed in other state buildings. Money used for this purpose is available only for the acquisition of works of art to be exhibited in areas of a building or its grounds accessible, on a regular basis, to members of the public. For the purposes of this section "state building" means a building the construction or alteration of which is paid for wholly or in part by the state.

Subd. 2. [EXEMPT BUILDINGS.] A building for which the appropriation is less than \$500,000 for construction or alteration or a building for which the commissioner of administration has determined that this section is inappropriate is exempt from the requirements of this section.

Subd. 3. [UNUSED FUNDS.] If an amount made available under subdivision 1 is not expended for works of art for the building, the unexpended portion is available to the Minnesota board of the arts for the commission or purchase of works of art for state buildings existing or for which an appropriation was made prior to June 15, 1983, and is not available to pay construction costs of the building.

SERVICES TO STATE AGENCIES

Sec. 38. [16B.36] [INVESTIGATIONS.]

Subdivision 1. [AUTHORITY.] The commissioner may examine, investigate, or make a survey of the organization, administration, and management of state agencies and institutions under their control, to secure greater efficiency and economy through reorganization or consolidation of agencies or functions and to eliminate duplication of function, effort, or activity, so far as possible.

Subd. 2. [HEARINGS.] The commissioner shall recommend to the legislature any necessary changes in the laws of the state as a result of a survey or investigation, or otherwise, in order to secure a better organization of the state government or greater efficiency and economy in administration. For this purpose, the commissioner may hold hearings, and issue subpoenas for and compel the attendance of witnesses, the giving of testimony, and the production of books, records, accounts, documents, and papers, as provided in section 15.08.

Sec. 39. [16B.37] [REORGANIZATION OF AGENCIES.]

Subdivision 1. [COMMISSIONER'S AUTHORITY.] To improve efficiency and avoid duplication, the commissioner may transfer personnel, powers, or duties, or any combination of them, from a state agency to another state agency that has been in existence for at least one year prior to the date of transfer. A transfer must have received the prior approval of the governor. The commissioner shall no later than January 15 of each year submit to the legislature a bill making all statutory changes required by reorganization

orders issued by the commissioner during the preceding calendar year.

Subd. 2. [REORGANIZATION ORDER.] A transfer made pursuant to subdivision 1 must be in the form of a reorganization order. A reorganization order must be filed with the secretary of state, be uniform in format, and be numbered consecutively. An order is effective upon filing with the secretary of state and remains in effect until amended or superseded. Copies of the filed order must be delivered promptly by the commissioner to the secretary of the senate, the chief clerk of the house, and the chairmen of the governmental operations committees in the senate and house of representatives. A reorganization order which transfers all or substantially all of the powers or duties or personnel of a department, the housing finance agency, or the pollution control agency is not effective until it is ratified by concurrent resolution or enacted into law.

Subd. 3. [APPROPRIATION.] The commissioner of finance shall determine the fractional part of the appropriation to the transferor agency that is represented by the transferred personnel, power, or duty, and that part of the appropriation is reappropriated to the transferee agency.

Subd. 4. [WORK OF DEPARTMENT FOR ANOTHER.] To avoid duplication and improve efficiency, the commissioner may direct an agency to do work for another agency or may direct a division or section of an agency to do work for another division or section within the same agency and shall require reimbursement for the work. Reimbursements received by an agency are reappropriated to the account making the original expenditure in accordance with the transfer warrant procedure established by the commissioner of finance.

Subd. 5. [EMPLOYEES ASSIGNED.] With the approval of the governor and by agreement of the heads of the departments or agencies concerned, any appointive subordinate officer or employee of a department or agency may be employed by or assigned to perform duties under another department or agency.

Sec. 40. [16B.38] [DISSOLVED OR SUSPENDED AGENCIES.]

The commissioner shall undertake all necessary administrative functions of an agency which has been temporarily or permanently dissolved or suspended. These functions may include but are not limited to: authorizing payment of all obligations of the dissolved or suspended agency including payroll certifications; serving as custodian for and disposing of all property of the agency; and, in the event that the agency is only temporarily dissolved or suspended, serving as its chief administrative officer with all necessary powers until the agency is reconstituted. To implement these responsibilities the commissioner may spend any necessary money from a dissolved or suspended agency's appropriation.

Sec. 41. [16B.39] [PROGRAMS FOR STATE EMPLOYEES.]

Subdivision 1. [STATE EMPLOYEES SUGGESTION BOARD.] The state employees suggestion board is composed of seven members appointed by the governor, each of whom is a state officer or employee. The board shall annually elect a member to be chairman. For the purposes of this section, "board" means the state employees suggestion board. The membership terms, expenses, removal of members, and filling of vacancies on the board

are as provided in section 15.0575. Members do not receive the daily compensation provided by section 15.0575. The board shall formulate, establish, and maintain plans to encourage and reward unusual and meritorious suggestions and accomplishments by state employees promoting efficiency and economy in state government; appoint committees to consider suggestions and accomplishments of state employees and make recommendations on them to the board; and render merit awards to state employees, which may include certificates, medals and other appropriate insignia, and cash awards, in accordance with the board's plans. The commissioner shall assign for the use of the board the personnel, facilities, and equipment required for the proper performance of its work. The commissioner, on behalf of the board, may require assistance from any state department of any of its personnel and facilities.

Subd. 2. [EMPLOYEE ASSISTANCE PROGRAM; ADVISORY COMMITTEE.] The commissioner shall provide an employee assistance program of training, diagnostic, and referral services for state employees and their dependents. The commissioner shall appoint an advisory committee on state employee assistance of not more than 15 members to advise the commissioner on the program. The committee is subject to the provisions of section 15.059.

Sec. 42. [16B.40] [ADMINISTRATION OF STATE COMPUTER FACILITIES.]

Subdivision 1. [DEFINITIONS.] For the purposes of sections 42 to 47, the following terms have the meanings given them.

(a) "Computer activity" means the development or acquisition of a data processing device or system.

(b) "Data processing device or system" means any equipment or computer programs, including computer hardware, firmware, software, and communication protocol, used in connection with the processing of information via electronic data processing means, and includes data communication devices used in connection with computer facilities for the transmission of data.

Subd. 2. [COMMISSIONER'S RESPONSIBILITY.] The commissioner is charged with integrating and operating the state's computer facilities to serve the needs of the state government. Except as otherwise provided by law, all plans and programs for systems and procedures analysis, information systems, and related computer efforts of agencies must be submitted to the commissioner prior to implementation for review and approval, modification, or rejection. The commissioner, after consulting the intergovernmental information systems advisory council, shall:

(1) design and maintain a master plan for information systems in the state and its political subdivisions and shall report on the plan to the governor and legislature at the beginning of each regular session;

(2) establish standards for information systems;

(3) maintain a library of systems and programs developed by the state and its political subdivisions for use by agencies of government; and

(4) administer the communications for the state information system.

Subd. 3. [EVALUATION PROCEDURE.] The commissioner shall ex-

establish and, as necessary, update and modify procedures to evaluate computer activities proposed by state agencies. The evaluation must include the necessity, design and plan for development, ability to meet user requirements, feasibility, and flexibility, of the proposed data processing device or system, its relationship to other state data processing devices or systems, and its costs and benefits when considered by itself and when compared with alternative solutions.

Subd. 4. [EVALUATION AND APPROVAL REQUIREMENTS.] A state agency may not undertake a computer activity until the activity has been evaluated according to the procedures developed under subdivision 3 and the commissioners of administration and finance have given written approval of the proposed activity. If a proposed computer activity is not approved, the commissioner of finance shall cancel the unencumbered balance of any appropriation allotted for the activity. The commissioners of administration and finance may delegate their respective approval powers regarding computer activities to the head of another agency including the agency seeking approval if delegation is deemed appropriate.

Subd. 5. [REPORT TO LEGISLATURE.] If a proposed computer activity is approved, the commissioners of administration and finance shall submit to the legislature a concise narrative explanation of the computer activity and a request for any additional appropriation necessary to complete the activity.

Subd. 6. [SYSTEM DEVELOPMENT METHODOLOGY.] The commissioner shall establish and, as necessary, update and modify a methodology for the development of approved data processing systems by state agencies. The development methodology shall be used to define the design, programming, and implementation of approved data processing systems. The development methodology shall also enable and require a data processing system to be defined in terms of its computer programs, input requirements, output formats, administrative procedures, and processing frequencies.

Subd. 7. [SYSTEM DEVELOPMENT METHODOLOGY REQUIREMENTS.] A state agency may not develop, improve, or modify a data processing system using any methodology other than that established by the commissioner.

Subd. 8. [DATA SECURITY SYSTEMS.] In consultation with the attorney general and appropriate agency heads, the commissioner shall develop, install, and administer state data security systems consistent with state law to assure the integrity of computer based and all other data and to assure confidentiality of the data, consistent with the public's right to know.

Subd. 9. [JOINT ACTIONS.] The commissioner may, within available funding, join with the federal government, other states, local governments, and organizations representing those groups either jointly or severally in the development and implementation of systems analysis, information services, and computerization projects.

Sec. 43. [16B.41] [STATE INFORMATION SYSTEMS ADVISORY TASK FORCE.]

The commissioner may appoint a state information systems advisory task force to help the department develop and coordinate a state information services master plan and make recommendations to the commissioner con-

cerning the progress, direction, and needs of the state's computerization effort. The task force expires and the terms, compensation, and removal of members are as provided in section 15.059.

Sec. 44. [16B.42] [INTERGOVERNMENTAL INFORMATION SYSTEMS ADVISORY COUNCIL.]

Subdivision 1. [COMPOSITION.] The governor shall appoint an intergovernmental information systems advisory council, to serve at the pleasure of the governor, consisting of 25 members. Fourteen members shall be appointed or elected officials of local governments, seven shall be representatives of state agencies, and four shall be selected from the community at large. Further, the council shall be composed of (1) two members from each of the following groups: counties outside of the seven county metropolitan area, cities of the second and third class outside the metropolitan area, cities of the second and third class within the metropolitan area, and cities of the fourth class; (2) one member from each of the following groups: the metropolitan council, an outstate regional body, counties within the metropolitan area, cities of the first class, school districts in the metropolitan area, and school districts outside the metropolitan area; (3) one member each from the state departments of administration, education, public welfare, revenue, planning and the legislative auditor; (4) one member from the office of the state auditor; and (5) four members from the state community at large. To the extent permitted by available resources the commissioner shall furnish staff and other assistance as requested by the council. The council shall expire and the terms, compensation, and removal of members of the advisory council shall be as provided in section 15.059.

Subd. 2. [DUTIES.] The council shall assist the commissioner in developing and updating intergovernmental information systems, including data definitions, format, and retention standards; recommend to the commissioner policies and procedures governing the collection, security, and confidentiality of data; review intergovernmental information and computer systems involving intergovernmental funding; encourage cooperative efforts among local governments in developing information systems to meet individual and collective, operational, and external needs; bring about the necessary degree of standardization consistent with local prerogatives; yield fiscal and other information required by state and federal laws and regulations in readily usable form; foster the efficient use of available federal, state, local, and private resources for the development of systems; keep local governments abreast of the state of the art in information systems, and prepare guidelines for intergovernmental systems.

Subd. 3. [OTHER DUTIES.] The intergovernmental information systems advisory council shall (1) recommend to the commissioners of state departments, the legislative auditor, and the state auditor a method for the expeditious gathering and reporting of information and data between agencies and units of local government in accordance with cooperatively developed standards; (2) elect an executive committee, not to exceed seven members from its membership; (3) develop an annual plan, to include administration and evaluation of grants, in compliance with applicable rules; (4) provide technical information systems assistance or guidance to local governments for development, implementation, and modification of automated systems, including formation of consortiums for those systems.

Subd. 4. [FUNDING.] Appropriations and other funds made available to

the council for staff, operational expenses, and grants must be administered through the department of administration. Revenues derived from royalties, reimbursements, or other fees from software programs, systems, or technical services arising out of activities funded by current or prior state appropriations is appropriated to the council for the purposes enumerated in subdivision 2.

Sec. 45. [16B.43] [EDUCATION MANAGEMENT INFORMATION SYSTEMS.]

Subdivision 1. [APPLICATION.] The authority of the commissioner under sections 42 to 44, 46, and 47 does not apply to ESV-IS, but applies to SDE-IS and computer-related services provided to the department of education by the department of administration's information services bureau. For purposes of this section, "ESV-IS" and "SDE-IS" have the meanings given them in section 121.93.

Subd. 2. [FURNISHING STAFF AND ASSISTANCE.] To the extent permitted by available resources, the commissioner may furnish staff and other assistance to the department, the state board, the ESV computer council, and the Minnesota educational computing consortium in conjunction with their performance of the duties imposed by sections 121.931 to 121.938.

Sec. 46. [16B.44] [MODIFICATION OF OPERATING AND MANAGEMENT PROCEDURES.]

When improved program effectiveness, better use of services, and greater efficiency and economy in state government can be demonstrated, the commissioner with the approval of the governor may require a state agency to adjust its operating and management procedures to take advantage of improved systems, procedures, and methods resulting from systems analysis and information science technology.

Sec. 47. [16B.45] [FUNCTION OF LEGISLATIVE AUDITOR.]

The legislative auditor may conduct performance evaluations of all systems analysis, information services, and computerization efforts of agencies, the University of Minnesota, and metropolitan boards, agencies, and commissions. Upon request of the governing body or the state information systems advisory council, the legislative auditor shall conduct the same services for political subdivisions of the state and report the findings to the governor and the legislature. The cost of these evaluations must be paid by the agencies being evaluated.

Sec. 48. [16B.46] [TELECOMMUNICATION; POWERS.]

The commissioner shall supervise and control all state telecommunication facilities including any transmission, emission, or reception of signs, signals, writing, images, and sounds or intelligence of any nature by wire, radio, optical, or other electromagnetic systems. Nothing in this section modifies, amends, or abridges any powers and duties presently vested in or imposed upon the commissioner of transportation or the commissioner of public safety relating to telecommunications facilities or the commissioner of transportation relating only to radio air navigation facilities or other air navigation facilities.

Sec. 49. [16B.47] [MICROGRAPHICS.]

The commissioner shall provide micrographics services and products to meet agency needs. Within available resources, the commissioner may also provide micrographic services to political subdivisions. Agency plans and programs for micrographics must be submitted to and receive the approval of the commissioner prior to implementation. Upon the commissioner's approval, subsidiary or independent microfilm operations may be implemented in other state agencies. The commissioner may direct that copies of official state documents be distributed to official state depositories on microfilm.

Sec. 50. [16B.48] [GENERAL SERVICES AND COMPUTER SERVICES REVOLVING FUNDS.]

Subdivision 1. [REIMBURSEMENTS.] Fees prescribed pursuant to section 53, for the rendering of the services provided in that section are deposited in the state treasury by the collecting agency and credited to the general services revolving fund.

Subd. 2. [PURPOSE OF FUNDS.] Money in the state treasury credited to the general services revolving fund and money which is deposited in the fund is appropriated annually to the commissioner for the following purposes:

- (1) to operate a central store and equipment service;*
- (2) to operate a central duplication and printing service;*
- (3) to purchase postage and related items and to refund postage deposits as necessary to operate the central mailing service;*
- (4) to operate a documents service as prescribed by section 53; and*
- (5) to perform services for any other agency. Money shall be expended for this purpose only when directed by the governor. The agency receiving the services shall reimburse the fund for their cost, and the commissioner shall make the appropriate transfers when requested. The term "services" as used in this clause means compensation paid officers and employees of the state government; supplies, materials, equipment, and other articles and things used by or furnished to an agency; and utility services, and other services for the maintenance, operation, and upkeep of buildings and offices of the state government.*

Subd. 3. [COMPUTER SERVICES REVOLVING FUND.] Money in the computer services revolving fund is appropriated annually to the commissioner to operate the division of computer services.

Subd. 4. [REIMBURSEMENTS.] Except as specifically provided otherwise by law, each agency shall reimburse the computer services and general services revolving funds for the cost of all services, supplies, materials, labor and depreciation of equipment including reasonable overhead costs which the commissioner is authorized and directed to furnish an agency. The cost of all publications or other materials produced by the commissioner and financed from the general services revolving fund shall include reasonable overhead costs. The commissioner of finance shall make appropriate transfers to the revolving funds described in this section when requested by the commissioner of administration. The commissioner of administration may make allotments, encumbrances, and, with the approval of the commissioner of finance, disbursements in anticipation of such transfers. In addition, the commissioner of administration, with the approval of the com-

missioner of finance, may require an agency to make advance payments to the revolving funds in this section sufficient to cover the agency's estimated obligation for a period of at least 60 days. All such reimbursements and other money received by the commissioner of administration under this section shall be deposited in the appropriate revolving fund. Any earnings remaining in the fund established to account for the documents service prescribed by section 53 at the end of each fiscal year not otherwise needed for present or future operations, as determined by the commissioners of administration and finance, shall be transferred to the general fund.

Subd. 5. [LIQUIDATION.] If the computer services or general services revolving fund is abolished or liquidated, the total net profit from the operation of each fund shall be distributed to the various funds from which purchases were made. The amount to be distributed to each fund shall bear to such net profit the same ratio as the total purchases from each fund bears to the total purchases from all the funds during such period of time as shall fairly reflect the amount of net profit each fund is entitled to receive under the distribution required by this section.

CENTRAL SERVICES

Sec. 51. [16B.49] [CENTRAL MAILING SYSTEM.]

The commissioner shall maintain and operate for agencies a central mailing system. Official mail of an agency occupying quarters either in the capitol or in adjoining state buildings must be delivered unstamped to the central mailing station. Account must be kept of the postage required on that mail, which is then a proper charge against the agency delivering the mail. To provide funds for the payment of postage, each agency shall make advance payments to the commissioner sufficient to cover its postage obligations for at least 60 days.

Sec. 52. [16B.50] [CENTRAL DUPLICATING AND PRINTING DIVISION.]

The commissioner shall maintain and operate for agencies a central duplicating and printing division which is responsible for all duplicating and printing. The commissioner shall prescribe and designate classes of state printing. The duplicating and printing work to be done by the division is restricted to producing any form, booklet or pamphlet to the extent the commissioner deems appropriate.

Sec. 53. [16B.51] [AGENCY REPORTS.]

Subdivision 1. [SUPERVISION BY COMMISSIONER.] The commissioner shall supervise and control the making and distribution of all reports and other publications of all kinds issued by the state and state agencies when not otherwise prescribed by law. The commissioner shall also prescribe the manner and form of issuing reports required by sections 8.08; 16A.50; 35.03; 139.08, subdivision 5; 256.01; 268.12, subdivision 2; 299C.18; 343.08; and 360.015, subdivision 17.

Subd. 2. [PRESCRIBE FEES.] The commissioner may prescribe fees to be charged for services rendered by the state or an agency in furnishing to those who request them certified copies of records or other documents, certifying that records or documents do not exist and furnishing other reports, publica-

tions, or related material which is requested. The fees, unless otherwise prescribed by law, may be fixed at the market rate. The commissioner of finance is authorized to approve the prescribed rates for the purpose of assuring that they, in total, will result in receipts greater than costs in the fund. Fees prescribed under this subdivision are deposited in the state treasury by the collecting agency and credited to the general services revolving fund. Nothing in this subdivision permits the commissioner of administration to furnish any service which is now prohibited or unauthorized by law.

Subd. 3. [SALE OF PUBLICATIONS.] The commissioner may sell official reports, documents, and other publications of all kinds, may delegate their sale to state agencies, and may establish facilities for their sale within the department of administration and elsewhere within the state service.

Subd. 4. [EXCEPTIONS.] This section does not apply to the Regents of the University of Minnesota or to the state agricultural society.

Subd. 5. [LIMITATIONS ON SUBJECT MATTER PROHIBITED.] The commissioner may not adopt rules which limit in any way the subject matter of a report or publication which the law requires or authorizes an agency to produce.

Sec. 54. [16B.52] [MISUSE OF STATE PUBLICATIONS.]

Subdivision 1. [PERMISSIBLE PUBLICATIONS; PICTURES.] No elected, administrative, or executive state officer, may have printed, nor may the commissioner authorize the printing of, at government expense, official reports and other publications intended for general public circulation except those authorized by law or included in the intent of the appropriation out of which the cost will be defrayed. Executive officers shall, before presenting their annual reports and other publications to the commissioner, examine them and exclude from them pictures of elected and administrative officials, and any other pictorial device calculated to or tending to attribute the publication to an individual instead of the department of state government from which it emanates. All other engravings, maps, drawings and illustrations must be excluded from the reports and publications, except those the executive officers certify when they present the reports for printing to be necessary and to relate entirely to the transaction of the state's business, or to be reasonably required to present for clear understanding the substance of the report.

Subd. 2. [ATTRIBUTION OF PUBLICATIONS.] A report or publication authorized by law and paid for from public funds must carry the imprimatur of the agency under whose authority it is issued, but it may not carry the name of an official in any way that might imply attributing the publication to any person, except where certification of the officer is required for authenticity of the document.

Subd. 3. [DISTRIBUTION.] No report or publication distributed by or from an administrative or executive officer may contain any notice that it is sent with "the compliments" and may not carry letters of personal greeting from an official.

Subd. 4. [EXCEPTION.] This section does not apply to the legislative manuals provided for in chapter 5.

Subd. 5. [PUBLICATIONS BY DEPARTMENT OF ADMINISTRATION.]

TION.] Notwithstanding the provisions of this section or any other law relating to the subject matter of this section, the department of administration may continue to publish reports, documents, and related materials of the same manner described in its catalogs of Minnesota state publications.

Sec. 55. [16B.53] [SALE OF LAWS AND RESOLUTIONS.]

Subdivision 1. [AUTHORITY.] The commissioner shall provide for the sale and distribution of copies of laws and resolutions on file in the office of the secretary of state in accordance with this section. The secretary of state and the revisor of statutes shall cooperate with the commissioner in furnishing the services provided for in this section.

Subd. 2. [CHARGES.] The commissioner shall establish charges for those laws and resolutions sufficient to cover their cost. Fees established for the sale and distribution of laws and resolutions, including mailing and postage charges, may be accepted by the commissioner in advance, and any unused portions amounting to \$1 or more may be returned to the person entitled to them upon request, notwithstanding the provision of any other law prohibiting refunds.

Subd. 3. [REVOLVING FUND.] Money collected by the commissioner under this section must be deposited in the central services revolving fund in the state treasury. Money in that fund is annually appropriated to the commissioner for the purposes of carrying out this section.

VEHICLES

Sec. 56. [16B.54] [CENTRAL MOTOR POOL, ESTABLISHMENT.]

Subdivision 1. [MOTOR POOLS.] The commissioner shall manage a central motor pool of passenger motor vehicles and trucks used by state agencies with principal offices in the city of St. Paul and may provide for branch central motor pools at other places within the state. For purposes of this section, "truck" means a pickup or panel truck up to one ton carrying capacity.

Subd. 2. [VEHICLES.] (a) [ACQUISITION FROM AGENCY; APPROPRIATION.] The commissioner may direct an agency to transfer to him a passenger motor vehicle or truck presently assigned to it for the central motor pool. The commissioner shall reimburse an agency whose motor vehicles have been paid for with funds dedicated by the constitution for a special purpose and which are assigned to the central motor pool. The amount of reimbursement for a motor vehicle is its average wholesale price as determined from the midwest edition of the national automobile dealers association official used car guide.

(b) [PURCHASE.] To the extent that funds are available for the purpose, the commissioner may purchase or otherwise acquire additional passenger motor vehicles and trucks necessary for the central motor pool. The title to all motor vehicles assigned to or purchased or acquired for the central motor pool is in the name of the department of administration.

(c) [TRANSFER AT AGENCY REQUEST.] On the request of an agency, the commissioner may transfer to the central motor pool any passenger motor vehicle or truck for the purpose of disposing of it. The department or agency transferring the vehicle or truck shall be paid for it from the motor pool re-

volving account established by this section in an amount equal to two-thirds of the average wholesale price of the vehicle or truck as determined from the midwest edition of the National Automobile Dealers Association official used car guide.

(d) [VEHICLES; MARKING.] *The commissioner shall provide for the uniform marking of all motor vehicles. Motor vehicle colors must be selected from the regular color chart provided by the manufacturer each year. The commissioner may further provide by rule for the use of motor vehicles without uniform coloring or marking by the governor, the lieutenant governor, the division of criminal apprehension, arson investigators of the division of fire marshal in the department of public safety, and the office of the attorney general.*

Subd. 3. [RESPONSIBLE PERSON; PERSONNEL.] *The commissioner is responsible for the control, regulation, acquisition, operation, maintenance, repair, and disposal of all motor vehicles of the central motor pool. The commissioner may employ a director and other necessary classified employees for the operation of the central motor pool in accordance with chapter 43A.*

Subd. 4. [MAINTENANCE, REPAIR, AND STORAGE; APPROPRIATION.] (a) [MAINTENANCE, REPAIR, STORAGE.] *The commissioner may contract with the head of an agency or another person operating facilities for the maintenance, repair, and storage of motor vehicles to provide for maintenance, repair, and storage of motor vehicles of the central motor pool.*

(b) [APPROPRIATION.] *Money received by the head of an agency under a contract with the commissioner under this subdivision is annually appropriated to the agency for the same purposes as money expended by the agency head for the operation of state-owned facilities for the maintenance, repair, and storage of motor pool vehicles.*

Subd. 5. [USE OF MOTOR VEHICLES.] *The motor vehicles in the central motor pool are for official state business only. An agency requiring the services of a motor vehicle shall request it from the central motor pool on either a temporary or permanent basis. No privately owned motor vehicle may be used for official state business except when authorized by the commissioner.*

Subd. 6. [SCHEDULE OF CHARGES.] *An agency using the facilities of the central motor pool shall periodically reimburse the commissioner for the services, in accordance with the schedule of charges the commissioner establishes. This schedule of charges must be based on the costs incurred in operating the central motor pool, including reasonable overhead costs, vehicle depreciation, insurance for public liability and property damage, and other costs. The commissioner must retain records and reports and all schedules used as a basis for charging state agencies for the services furnished.*

Subd. 7. [EXCEPTIONS.] *This section does not apply to motor vehicles of the state patrol or the University of Minnesota, or to motor vehicles of any other agency which are specially equipped for the needs of that agency.*

Subd. 8. [MOTOR POOL REVOLVING ACCOUNT.] (a) [ACCOUNT ESTABLISHED.] *Money or reimbursements the commissioner receives*

from the operation of the central motor pool is deposited in the state treasury and credited to a motor pool revolving account. Money in the account is annually appropriated to the commissioner to carry out this section. The motor pool revolving account may be used to provide material transfer services to agencies.

(b) [UNOBLIGATED EXCESS TRANSFERRED.] *When the unobligated amount of money in the state treasury credited to the motor pool revolving account exceeds the sum of \$438,000 at the end of any fiscal year, the unobligated amount in excess of \$438,000 must be transferred to the general fund in the state treasury.*

Sec. 57. [16B.55] [USE OF STATE VEHICLES; COMPENSATION FOR USE OF PERSONAL VEHICLES.]

Subdivision 1. [DEFINITION.] For purposes of this section, "state vehicle" means a vehicle owned or leased by the state or loaned to the state.

Subd. 2. [PROHIBITED USES.] A state vehicle may be used only for authorized state business. A state vehicle may not be used for transportation to or from the residence of a state employee, except as provided in subdivision 3.

Subd. 3. [PERMITTED USES.] A state vehicle may be used by a state employee to travel to or from the employee's residence:

(1) on a day on which it may be necessary for the employee to respond to a work-related emergency during hours when the employee is not normally working;

(2) if the employee has been assigned the use of a state vehicle for authorized state business on an extended basis, and the employee's primary place of work is not the state work station to which he is permanently assigned;

(3) if the employee has been assigned the use of a state vehicle for authorized state business away from the work station to which he is permanently assigned, and the number of miles travelled, or the time needed to conduct the business, will be minimized if the employee uses a state vehicle to travel to the employee's residence before or after travelling to the place of state business.

Use of a state vehicle pursuant to this subdivision requires the prior approval of the agency head or the designee of the agency head. Within 15 days of the end of each three-month period, the head of each agency shall report to the commissioner on each case in which a state vehicle is used by an employee of that agency to travel to or from the employee's residence. The commissioner shall specify the form of this report and the information to be included. If no state vehicles have been used for this travel, the head of the state agency shall report this to the commissioner; or

(4) if the employee is authorized to participate in a ridesharing program established by the commissioner pursuant to section 174.257.

Subd. 4. [PERSONAL VEHICLES.] No state employee shall be compensated by the state for use of a personal vehicle for travel between the employee's residence and the state work station to which the employee is permanently assigned, except pursuant to a collective bargaining agreement

negotiated under chapter 179 or a compensation plan adopted by the commissioner of employee relations under section 43A.05. A collective bargaining agreement or compensation plan may only provide for this compensation in cases in which an employee is called back to work during hours when the employee is not normally working.

Subd. 5. [EXCLUSIONS.] Subdivisions 2 to 4 do not apply to the van pooling program established in section 58, to a ride-sharing program established by the department of transportation, to a trooper employed by the state patrol, or to use of a state vehicle by the governor or lieutenant governor.

Subd. 6. [ADMINISTRATIVE POLICIES.] The commissioner shall determine when an employee must reimburse the state for use of a state vehicle and the rates of reimbursement. Rates of reimbursement shall cover the full cost to the state for the travel for which reimbursement is required. The commissioner shall also set operating procedures for use of state vehicles. These rules, rates, and operating procedures are not subject to the administrative procedure act. Money received under these rules shall be deposited as nondedicated receipts to the credit of the fund from which the costs of operating the individual vehicles are paid.

Sec. 58. [16B.56] [COMMUTER VANS; STATE EMPLOYEES AND SPOUSES; BLIND VENDING OPERATORS.]

Subdivision 1. [EMPLOYEE TRANSPORTATION PROGRAM.] (a) [ESTABLISHMENT.] To conserve energy and alleviate traffic congestion around state offices, the commissioner shall, in cooperation with the commissioner of energy and economic development, the commissioner of transportation, and interested nonprofit agencies, establish and operate an employee transportation program using commuter vans with a capacity of not less than seven nor more than 16 passengers. Commuter vans may be used by state employees and blind vending operators to travel between their homes and their work locations, and for personal purposes after working hours, not including partisan political activity. The commissioner shall acquire or lease commuter vans, or otherwise contract for the provision of commuter vans, and shall make the vans available for the use of state employees and blind vending operators in accordance with standards and procedures adopted by the commissioner. The commissioner shall promote the maximum participation of state employees and blind vending operators in the use of the vans.

(b) [ADMINISTRATIVE POLICIES.] The commissioner shall adopt standards and procedures under this section without regard to chapter 14. The commissioner shall provide for the recovery by the state of vehicle acquisition, lease, operation, and insurance costs through efficient and convenient assignment of vans, and for the billing of costs and collection of fees. A state employee using a van for personal use shall pay, pursuant to the standards and procedures adopted by the commissioner, for operating and routine maintenance costs incurred as a result of the personal use. Fees collected under this subdivision shall be deposited in the accounts from which the costs of operating, maintaining, and leasing or amortization for the specific vehicle are paid.

Subd. 2. [ELIGIBLE PARTICIPANTS.] State and other public employees and their spouses and other people who work in buildings owned or leased by the state are eligible for the employee transportation program established by

this section, if the driver and substitute driver of every van pool are state employees and if state employees constitute a majority of the members of every van pool. Available space in van pools must, whenever possible, be filled by state employees.

Subd. 3. [AREAS OF USE.] Use of the vans pursuant to this section is limited to areas not having adequate public transportation between the residences of state employees and blind vending operators and their places of employment.

Subd. 4. [EVALUATION.] The commissioner shall at least semiannually inform the metropolitan council and the capitol area architectural and planning board on the operation of the program.

Subd. 5. [INSURANCE; LIMITATIONS.] Notwithstanding section 15.31 or any other law to the contrary, the commissioner may purchase, pursuant to this chapter, collision insurance coverage for the commuter vans. Notwithstanding sections 56, subdivision 2, and 168.012, the vans may not be marked. The vans may not be equipped with tax-exempt motor vehicle number plates.

Subd. 6. [BLIND VENDING OPERATOR.] "Blind vending operator" means a blind person licensed to operate a vending stand or machine pursuant to section 248.07.

Sec. 59. [16B.57] [GASOLINE AND PETROLEUM PRODUCTS, SOURCE OF SUPPLY FOR AGENCIES.]

Subdivision 1. [PETROLEUM PRODUCTS FACILITIES.] The commissioner may require a state agency which has facilities for the storage and distribution of gasoline and other petroleum products to furnish gasoline and other petroleum products to any other state agency and shall require payment to compensate for the cost of those products. The commissioner shall prescribe all procedures for the guidance of state agencies in carrying out the requirements of this section.

Subd. 2. [APPROPRIATION.] Money paid by one state agency to another to compensate for the cost of products furnished under subdivision 1 is annually appropriated to the state agency which furnishes those products.

Sec. 60. [16B.58] [STATE PARKING FACILITIES.]

Subdivision 1. [POWERS AND DUTIES OF THE COMMISSIONER.] No person may park a motor vehicle, either privately or publicly owned, upon any parking lot or facility owned or operated by the state except as authorized by this section. The commissioner shall operate and supervise all state parking lots and facilities. He may fix and collect rents, charges, or fees in connection with and for the use of any state parking lot or facility within the cities of St. Paul and Minneapolis except for any state lot or facility the control of which is vested by law in a state agency other than the department of administration.

Subd. 2. [RULES.] Copies of the commissioner's rules under this section must be provided to all contract parkers. Each parking lot or facility must be posted with notice of who is entitled to park there.

Subd. 3. [REMOVAL AND IMPOUNDING OF VEHICLES.] A motor

vehicle parked on a state parking lot or facility in violation of the rules of the commissioner is a public nuisance and the commissioner shall provide for the abatement of the nuisance by rules, including provision for the removal and impounding of the motor vehicle. The cost of the removal and impounding is a lien against the motor vehicle until paid.

Subd. 4. [VIOLATIONS.] A person, elective or appointed state official, firm, association, or corporation which violates any of the provisions of this section or any rule made by the commissioner under this section is guilty of a misdemeanor.

Subd. 5. [MONEY COLLECTED.] Money collected by the commissioner as rents, charges, or fees in connection with and for the use of a parking lot or facility is appropriated to the commissioner for the purpose of operating, maintaining, and improving parking lots or facilities owned or operated by the state, including providing necessary and suitable uniforms for employees, and to carry out the purposes of this section, except as provided in subdivision 7.

Subd. 6. [LEGISLATIVE PARKING RESOLUTIONS.] The provisions of this section do not affect rules of parking adopted by resolution of the legislature during legislative sessions.

Subd. 7. [SURCHARGE FOR VEHICLES OCCUPIED BY ONE PERSON.] The commissioner shall impose a surcharge of 25 percent for vehicles occupied by only one person parking in a state parking facility in the capitol area, as described by section 15.50, subdivision 2. The revenue from this additional charge shall be placed by the commissioner in a special account. For the benefit of employees employed in the capitol area, the money in the account is appropriated to the commissioner and shall be used by the commissioner to acquire or lease commuter vans pursuant to section 58 and, within limits and upon conditions the commissioner determines to be necessary, to reimburse state agencies for costs resulting from agreements with the metropolitan transit commission or other operators pursuant to section 473.409. The commissioner may adopt rules necessary to administer the provisions of this subdivision, subdivision 5, and section 473.409. The rules may exempt from the surcharge vehicles operated by persons whom the commissioner determines have job requirements that make car pooling impractical.

Subd. 8. [FEES CHARGED STATE EMPLOYEES.] Notwithstanding any other law to the contrary, the commissioner shall charge state employees for parking facilities which are used by them and furnished for their use pursuant to any lease entered into between the state of Minnesota and the lessor of any privately owned property situated in the seven county metropolitan area.

STATE BUILDING CODE

Sec. 61. [16B.59] [STATE BUILDING CODE; POLICY AND PURPOSE.]

The state building code governs the construction, reconstruction, alteration, and repair of state-owned buildings and other structures to which the code is applicable. The commissioner shall administer and amend a state code of building construction which will provide basic and uniform perfor-

mance standards, establish reasonable safeguards for health, safety, welfare, comfort, and security of the residents of this state and provide for the use of modern methods, devices, materials, and techniques which will in part tend to lower construction costs. The construction of buildings should be permitted at the least possible cost consistent with recognized standards of health and safety.

Sec. 62. [16B.60] [DEFINITIONS, STATE BUILDING CODE.]

Subdivision 1. [SCOPE.] For the purposes of sections 61 to 75, the terms defined in this section have the meanings given them.

Subd. 2. [CITY.] "City" means a home rule charter or statutory city.

Subd. 3. [MUNICIPALITY.] "Municipality" means a city, county, or town meeting the requirements of section 368.01, subdivision 1, or the University of Minnesota.

Subd. 4. [CODE.] "Code" means the state building code adopted by the commissioner in accordance with sections 61 to 75.

Subd. 5. [AGRICULTURAL BUILDING.] "Agricultural building" means a structure on agricultural land as defined in section 273.13, subdivision 6, designed, constructed, and used to house farm implements, livestock, or agricultural produce or products used by the owner, lessee, and sublessee of the building and members of their immediate families, their employees, and persons engaged in the pickup or delivery of agricultural produce or products.

Subd. 6. [PUBLIC BUILDING.] "Public building" means a building and its grounds, the cost of which is paid for by the state, a state agency or governmental subdivision, an agency of a governmental subdivision, or a school district.

Subd. 7. [PHYSICALLY HANDICAPPED.] "Physically handicapped" means having sight disabilities, hearing disabilities, disabilities of incoordination, disabilities of aging, or other disabilities that significantly reduce mobility, flexibility, coordination, or perceptiveness.

Subd. 8. [REMODELING.] "Remodeling" means deliberate reconstruction of an existing public building in whole or in part in order to bring it up to date in conformity with present uses of the structure and to which other rules on the upgrading of health and safety provisions are applicable.

Sec. 63. [16B.61] [GENERAL POWERS OF COMMISSIONER, STATE BUILDING CODE.]

Subdivision 1. [ADOPTION OF CODE.] Subject to sections 61 to 75, the commissioner shall by rule establish a code of standards for the construction, reconstruction, alteration, and repair of state-owned buildings, governing matters of structural materials, design and construction, fire protection, health, sanitation, and safety. The code must conform insofar as practicable to model building codes generally accepted and in use throughout the United States. In the preparation of the code, consideration must be given to the existing state-wide specialty codes presently in use in the state. Model codes with necessary modifications and state-wide specialty codes may be adopted by reference. The code must be based on the application of scientific princi-

ples, approved tests, and professional judgment. To the extent possible, the code must be adopted in terms of desired results instead of the means of achieving those results, avoiding wherever possible the incorporation of specifications of particular methods or materials. To that end the code must encourage the use of new methods and new materials. Except as otherwise provided in sections 61 to 75, the commissioner shall administer and enforce the provisions of those sections.

Subd. 2. [ENFORCEMENT BY CERTAIN BODIES.] Under the direction and supervision of the commissioner, the provisions of the code relating to electrical installations shall be enforced by the state board of electricity, pursuant to the Minnesota Electrical Act, the provisions relating to plumbing shall be enforced by the commissioner of health, the provisions relating to fire protection shall be enforced by the state fire marshal, the provisions relating to high pressure steam piping and appurtenances and elevators shall be enforced by the department of labor and industry, and the code as applied to public school buildings shall be enforced by the state board of education. Fees for inspections conducted by the state board of electricity shall be paid in accordance with the rules of the state board of electricity.

Subd. 3. [SPECIAL REQUIREMENTS.] (a) [SPACE FOR COMMUTER VANS.] The code must require that any parking ramp or other parking facility constructed in accordance with the code include an appropriate number of spaces suitable for the parking of motor vehicles having a capacity of seven to 16 persons and which are principally used to provide prearranged commuter transportation of employees to or from their place of employment or to or from a transit stop authorized by a local transit authority.

(b) [SMOKE DETECTION DEVICES.] The code must require that all dwellings, lodging houses, apartment houses, and hotels as defined in section 299F.362 comply with the provisions of section 299F.362.

(c) [DOORS IN NURSING HOMES AND HOSPITALS.] The state building code may not require that each door entering a sleeping or patient's room from a corridor in a nursing home or hospital with an approved complete standard automatic fire extinguishing system be constructed or maintained as self-closing or automatically closing.

Subd. 4. [REVIEW OF PLANS FOR PUBLIC BUILDINGS.] Construction or remodeling may not begin on any public building owned by the state until the plans and specifications of the public building have been approved by the commissioner. In the case of any other public building, the plans and specifications must be submitted to the commissioner for review, and within 30 days after his receipt of the plans and specifications, he shall notify the submitting authority of his recommendations if any.

Subd. 5. [ACCESSIBILITY.] (a) [PUBLIC BUILDINGS.] The code must provide for making public buildings constructed or remodeled after July 1, 1963, accessible to and usable by physically handicapped persons, although this does not require the remodeling of public buildings solely to provide accessibility and usability to the physically handicapped when remodeling would not otherwise be undertaken.

(b) [LEASED SPACE.] No agency of the state may lease space for agency operations in a non-state-owned building unless the building satisfies the

requirements of the state building code for accessibility by the physically handicapped, or is eligible to display the state symbol of accessibility. This limitation applies to leases of 30 days or more for space of at least 1,000 square feet.

(c) [MEETINGS OR CONFERENCES.] Meetings or conferences for the public or for state employees which are sponsored in whole or in part by a state agency must be held in buildings that meet the state building code requirements relating to accessibility for physically handicapped persons. This subdivision does not apply to any classes, seminars, or training programs offered by a state university, the University of Minnesota, or a state community college. Meetings or conferences intended for specific individuals none of whom need the accessibility features for handicapped persons specified in the state building code need not comply with this subdivision unless a handicapped person gives reasonable advance notice of his or her intent to attend the meeting or conference. When sign language interpreters will be provided, meetings or conference sites must be chosen which allow hearing impaired participants to see their signing clearly.

(d) [EXEMPTIONS.] The commissioner may grant an exemption from the requirements of paragraphs (b) and (c) in advance if an agency has demonstrated that reasonable efforts were made to secure facilities which complied with those requirements and if the selected facilities are the best available for access for handicapped persons. Exemptions shall be granted using criteria developed by the commissioner in consultation with the council for the handicapped.

(e) [SYMBOL INDICATING ACCESS.] The wheelchair symbol adopted by Rehabilitation International's Eleventh World Congress is the state symbol indicating buildings, facilities, and grounds which are accessible to and usable by handicapped persons. In the interests of uniformity, this symbol in its white on blue format is the sole symbol for display in or on all public or private buildings, facilities, and grounds which qualify for its use. The secretary of state shall obtain the symbol and keep it on file. No building, facility, or grounds may display the symbol unless it is in compliance with the rules adopted by the commissioner under subdivision 1. Before any rules are proposed for adoption under this paragraph, the commissioner shall consult with the state council for the handicapped. Rules adopted under this paragraph must be enforced in the same way as other accessibility rules of the state building code.

(f) [MUNICIPAL ENFORCEMENT.] Municipalities which have not adopted the state building code may enforce the building code requirements for handicapped persons by either entering into a joint powers agreement for enforcement with another municipality which has adopted the state building code; or contracting for enforcement with an individual certified under section 67, subdivision 3, to enforce the state building code.

Sec. 64. [16B.62] [STATE BUILDING CODE; APPLICATION.]

Subdivision 1. [MUNICIPAL ENFORCEMENT.] The state building code applies state-wide and supersedes the building code of any municipality. The state building code does not apply to agricultural buildings except with respect to state inspections required or rulemaking authorized by sections 104.05, 326.244, and 116J.19, subdivision 8. All municipalities shall adopt

and enforce the state building code with respect to new construction within their respective jurisdictions.

If a city has adopted or is enforcing the state building code on June 3, 1977, or determines by ordinance after that date to undertake enforcement, it shall enforce the code within the city. A city may by ordinance extend the enforcement of the code to contiguous unincorporated territory not more than two miles distant from its corporate limits in any direction. Where two or more noncontiguous cities which have elected to enforce the code have boundaries less than four miles apart, each is authorized to enforce the code on its side of a line equidistant between them. Once enforcement authority is extended extraterritorially by ordinance, the authority may continue to be exercised in the designated territory even though another city less than four miles distant later elects to enforce the code. After the extension, the city may enforce the code in the designated area to the same extent as if the property were situated within its corporate limits.

A city which, on June 3, 1977, had not adopted the code may not commence enforcement of the code within or outside of its jurisdiction until it has provided written notice to the commissioner, the county auditor, and the town clerk of each town in which it intends to enforce the code. A public hearing on the proposed enforcement must be held not less than 30 days after the notice has been provided. Enforcement of the code by the city commences on the first day of January in the year following the notice and hearing.

Municipalities may provide for the issuance of permits, inspection, and enforcement within their jurisdictions by means which are convenient, and lawful, including by means of contracts with other municipalities pursuant to section 471.59, and with qualified individuals. In areas outside of the enforcement authority of a city, the fee charged for the issuance of permits and inspections for single family dwellings may not exceed the greater of \$100 or .005 times the value of the structure, addition, or alteration. The other municipalities or qualified individuals may be reimbursed by retention or remission of some or all of the building permit fee collected or by other means. In areas of the state where inspection and enforcement is unavailable from qualified employees of municipalities, the commissioner shall train and designate individuals available to carry out inspection and enforcement on a fee basis.

Subd. 2. [ENFORCEMENT BY STATE BUILDING INSPECTOR.] If the commissioner determines that a municipality is not properly administering and enforcing the state building code as provided in section 73, the commissioner may have the administration and enforcement in the involved municipality undertaken by the state building inspector. The commissioner shall notify the affected municipality in writing immediately upon making the determination, and the municipality may challenge the determination as a contested case before the commissioner pursuant to the administrative procedure act. In municipalities not properly administering and enforcing the state building code, and in municipalities who determine not to administer and enforce the state building code, the commissioner shall have administration and enforcement undertaken by the state building inspector or by another inspector certified by the state. The commissioner shall determine appropriate fees to be charged for the administration and enforcement service ren-

dered. Any cost to the state arising from the state administration and enforcement of the state building code shall be borne by the subject municipality.

Sec. 65. [16B.63] [STATE BUILDING INSPECTOR.]

Subdivision 1. [APPOINTMENT.] The commissioner shall appoint a state building inspector who under the direction and supervision of the commissioner shall administer the code.

Subd. 2. [QUALIFICATIONS.] To be eligible for appointment as state building inspector an individual must be competent in the field of administration and shall have the experience in building design, construction, and supervision which the commissioner considers necessary.

Subd. 3. [POWERS AND DUTIES.] The state building inspector may, with the approval of the commissioner, employ personnel necessary to carry out his function under sections 61 to 75. The state building inspector shall distribute without charge one copy of the code to each municipality within the state. Additional copies shall be made available to municipalities and interested parties for a fee prescribed by the commissioner. The state building inspector shall perform other duties in administering the code assigned to him by the commissioner.

Sec. 66. [16B.64] [APPLICATION OF ADMINISTRATIVE PROCEDURE ACT.]

Subdivision 1. [APPLICABILITY.] Subject to this section, the adoption of the code and amendment is subject to the administrative procedure act.

Subd. 2. [DISTRIBUTION OF INCORPORATIONS BY REFERENCE.] The commissioner need not publish or distribute those parts of the code which are adopted by reference pursuant to section 14.06.

Subd. 3. [FILING.] The commissioner shall file one copy of the complete code with the secretary of state, except that all standards referred to in any model or state-wide specialty code or any of the modifications of a code need not be filed. All standards referred to in the code must be kept on file and available for inspection in the office of the commissioner.

Subd. 4. [HEARINGS.] The commissioner, except in the case of energy conservation standards promulgated or amended pursuant to section 116J.19, subdivision 8, shall hold all state hearings and make all determinations regarding any subject matter dealt with in the code including those in which another state agency proposes to adopt or amend rules which are incorporated by reference into the code or whenever the commissioner proposes to incorporate those rules into the state building code. In no event shall a state agency subsequently authorized to adopt rules involving state building code subject matter proceed to adopt the rules without prior consultation with the commissioner.

Subd. 5. [PROPOSED AMENDMENTS; HEARINGS.] Any interested person may propose amendments to the code which may be either applicable to all municipalities or, where it is alleged and established that conditions exist within a municipality which are not generally found within other municipalities, amendments may be restricted in application to that municipality. Notice of public hearings on proposed amendments shall be given to the

governing bodies of all municipalities in addition to those persons entitled to notice under the administrative procedure act.

Subd. 6. [ADOPTION.] The commissioner shall approve any proposed amendments which he deems to be reasonable in conformity with the policy and purpose of the code and justified under the particular circumstances involved. Upon adoption, a copy of each amendment must be distributed to the governing bodies of all affected municipalities.

Subd. 7. [INVESTIGATION AND RESEARCH.] With the approval of the commissioner the state building inspector shall investigate or provide for investigations, or may accept authenticated reports from authoritative sources, concerning new materials or modes of construction intended for use in the construction of buildings or structures, and shall propose amendments to the code setting forth the conditions under which the new materials or modes may be used.

Sec. 67. [16B.65] [BUILDING OFFICIALS.]

Subdivision 1. [APPOINTMENTS.] The governing body of each municipality shall, unless other means are already provided, appoint a person to administer the code who shall be known as a building official. Two or more municipalities may combine in the appointment of a single building official for the purpose of administering the provisions of the code within their communities. In those municipalities for which no building officials have been appointed, the state building inspector, with the approval of the commissioner, may appoint building officials to serve until the municipalities have made an appointment. If the state building inspector is unable to make an appointment he may use whichever state employees or state agencies are necessary to perform the duties of the building official. All costs incurred by virtue of an appointment by the state building inspector or services rendered by state employees must be borne by the involved municipality. Receipts arising from the appointment must be paid into the state treasury and credited to the general fund.

Subd. 2. [QUALIFICATIONS.] A building official, to be eligible for appointment, must have the experience in design, construction, and supervision which the commissioner deems necessary and must be generally informed on the quality and strength of building materials, accepted building construction requirements, and the nature of equipment and needs conducive to the safety, comfort, and convenience of building occupants. Each building official must be certified under this section, except that the qualifications outlined in this section are not mandatory regarding any building official in any municipality engaged in the administration of a building code on May 27, 1971, and continuing that function through July 1, 1972.

Subd. 3. [CERTIFICATION.] The department of employee relations, with the approval of the commissioner, shall either:

(1) prepare and conduct oral, written, and practical examinations to determine if a person is qualified pursuant to subdivision 2 to be a building official, or

(2) accept documentation of successful completion of programs of training developed by public agencies, as proof of qualification pursuant to subdivision 2.

Upon a determination of qualification under either clause (1) or (2) of this section the commissioner shall issue a certificate to the building official stating that he is certified. Each person applying for examination and certification pursuant to this section shall pay a fee of \$20. The department of employee relations and the commissioner or his designee may establish classes of certification that will recognize the varying complexities of code enforcement in the municipalities within the state. Except as provided by subdivision 2, no person may act as a building official for a municipality unless the department of employee relations and the commissioner determine that he is qualified. The department of employee relations may, with the approval of the commissioner, prepare and conduct educational programs designed to train and assist building officials in carrying out their responsibilities. The commissioner shall reimburse the department of employee relations for costs of any services performed by them pursuant to this section.

Subd. 4. [DUTIES.] Building officials shall, in the municipality for which they are appointed, attend to all aspects of code administration, including the issuance of all building permits and the inspection of all manufactured home installations. The commissioner may direct a municipality with a building official to perform services for another municipality, and in that event the municipality being served shall pay the municipality rendering the services the reasonable costs of the services. The costs may be subject to approval by the commissioner.

Subd. 5. [REMOVAL FROM OFFICE.] Except as otherwise provided for by law the commissioner may, upon notice and hearing, direct the dismissal of a building official when it appears to him by competent evidence that the building official has consistently failed to act in the public interest in the performance of his duties. Notice must be provided and the hearing conducted in accordance with the provisions of chapter 14 governing contested case proceedings. Nothing in this subdivision limits or otherwise affects the authority of a municipality to dismiss or suspend a building official at its discretion, except as otherwise provided for by law.

Subd. 6. [VACANCIES.] In the event that a certified building official vacates his position within a municipality, that municipality shall appoint a certified building official to fill the vacancy as soon as possible. If the municipality fails to appoint a certified building official within 90 days of the occurrence of the vacancy, the state building inspector may make the appointment or provide state employees to serve that function as provided in subdivision 1.

Sec. 68. [16B.66] [CERTAIN INSPECTIONS.]

The state building inspector may, upon an application setting forth a set of plans and specifications that will be used in more than one municipality to acquire building permits, review and approve the application for the construction or erection of any building or structure designed to provide dwelling space for no more than two families if the set of plans meets the requirements of the state building code. All costs incurred by the state building inspector by virtue of the examination of the set of plans and specifications must be paid by the applicant. The plans and specifications or any plans and specifications required to be submitted to a state agency must be submitted to the state building inspector who shall examine them and if necessary distribute

them to the appropriate state agencies for scrutiny regarding adequacy as to electrical, fire safety, and all other appropriate features. These state agencies shall examine and promptly return the plans and specifications together with their certified statement as to the adequacy of the instruments regarding that agency's area of concern. A building official shall issue a building permit upon application and presentation to him of a set of plans and specifications bearing the approval of the state building inspector if the requirements of all other local ordinances are satisfied.

Sec. 69. [16B.67] [APPEALS.]

A person aggrieved by the final decision of any municipality as to the application of the code, including any rules adopted under sections 471.465 to 471.469, may, within 30 days of the decision, appeal to the commissioner. Appellant shall submit a fee of \$20, payable to the commissioner, with his request for appeal. The final decision of the involved municipality is subject to review de novo by the commissioner or his designee. The commissioner shall submit his written findings to the parties. Any person aggrieved by a ruling of the commissioner may appeal in accordance with chapter 14. For the purpose of this section "any person aggrieved" includes the state council for the handicapped. No fee shall be required when the council for the handicapped is the appellant.

Sec. 70. [16B.68] [CERTAIN PERMITS.]

Building permits or certificates of occupancy validly issued before July 1, 1972, regarding buildings or structures being constructed or altered according to the permits or certificates, are valid after that date. The construction may be completed according to the building permit, unless the building official determines that life or property is in jeopardy.

Sec. 71. [16B.69] [VIOLATION, PENALTY.]

A violation of the code is a misdemeanor.

Sec. 72. [16B.70] [SURCHARGE.]

Subdivision 1. [COMPUTATION.] To defray the costs of administering sections 61 to 75, a surcharge is imposed on all permits issued by municipalities in connection with the construction of or addition or alteration to buildings and equipment or appurtenances after June 30, 1971, as follows:

If the fee for the permit issued is fixed in amount the surcharge is equivalent to 1/2 mill (.0005) of the fee or 50 cents, whichever amount is greater. For all other permits, the surcharge is as follows: (a) if the valuation of the structure, addition, or alteration is \$1,000,000 or less, the surcharge is equivalent to 1/2 mill (.0005) of the valuation of the structure, addition, or alteration; (b) if the valuation is greater than \$1,000,000, the surcharge is \$500 plus two-fifths mill (.0004) of the value between \$1,000,000 and \$2,000,000; (c) if the valuation is greater than \$2,000,000 the surcharge is \$900 plus three-tenths mill (.0003) of the value between \$2,000,000 and \$3,000,000; (d) if the valuation is greater than \$3,000,000 the surcharge is \$1,200 plus one-fifth mill (.0002) of the value between \$3,000,000 and \$4,000,000; (e) if the valuation is greater than \$4,000,000 the surcharge is \$1,400 plus one-tenth mill (.0001) of the value between \$4,000,000 and \$5,000,000; and (f) if the valuation exceeds \$5,000,000 the surcharge is \$1,500 plus one-twentieth mill (.00005)

of the value which exceeds \$5,000,000.

By September 1 of each odd-numbered year, the commissioner shall rebate to municipalities any money received under this section and section 64 in the previous biennium in excess of the cost to the building code division in that biennium of carrying out their duties under sections 61 to 75. The rebate to each municipality must be in proportion to the amount of the surcharges collected by that municipality and remitted to the state. The amount necessary to meet the commissioner's rebate obligations under this subdivision is appropriated to the commissioner from the general fund.

Subd. 2. [COLLECTION AND REPORTS.] All permit surcharges must be collected by each municipality and a portion of them remitted to the state. Each municipality having a population greater than 20,000 people shall prepare and submit to the commissioner once a month a report of fees and surcharges on fees collected during the previous month, but shall retain two percent of the surcharges collected to apply against the administrative expenses the municipality incurs in collecting the surcharges. All other municipalities shall submit the report and surcharges on fees once a quarter, but shall retain four percent of the surcharges collected to apply against the administrative expenses the municipalities incur in collecting the surcharges. The report, which must be in a form prescribed by the commissioner, must be submitted together with a remittance covering the surcharges collected by the 15th day following the month or quarter in which the surcharges are collected. All surcharges and other fees prescribed by sections 61 to 73, which are payable to the state, must be paid to the commissioner who shall deposit them in the state treasury for credit to the general fund.

Sec. 73. [16B.71] [PERMIT FEES, TO WHOM APPLICABLE.]

Municipal building officials shall administer and enforce the state building code with respect to all subject structures constructed within their jurisdiction, including all buildings constructed by the state of Minnesota, its agencies, departments, and instrumentalities, school districts, municipalities as defined in section 62, and the University of Minnesota. These governmental bodies shall pay the building permit fees and surcharges that the inspecting municipality customarily imposes for its administration and enforcement of the code.

Sec. 74. [16B.72] [REFERENDA ON STATE BUILDING CODE IN NONMETROPOLITAN COUNTIES.]

Notwithstanding any other provision of law to the contrary, a county that is not a metropolitan county as defined by section 473.121, subdivision 4, may provide, by a vote of the majority of its electors residing outside of municipalities that have adopted the state building code before January 1, 1977, that no part of the state building code except the building requirements for handicapped persons applies within its jurisdiction.

The county board may submit to the voters at a regular or special election the question of adopting the building code. The county board shall submit the question to the voters if it receives a petition for the question signed by a number of voters equal to at least five percent of those voting in the last general election. The question on the ballot must be stated substantially as follows:

"Shall the state building code be adopted in County?"

If the majority of the votes cast on the proposition is in the negative, the state building code does not apply in the subject county, outside home rule charter or statutory cities or towns that adopted the building code before January 1, 1977, except the building requirements for handicapped persons do apply.

Nothing in this section precludes a home rule charter or statutory city or town that did not adopt the state building code before January 1, 1977, from adopting and enforcing the state building code within its jurisdiction.

Sec. 75. [16B.73] [STATE BUILDING CODE IN MUNICIPALITIES UNDER 2,500; LOCAL OPTION.]

The governing body of a municipality whose population is less than 2,500 may provide that the state building code, except the requirements for handicapped persons, will not apply within the jurisdiction of the municipality, if the municipality is located in whole or in part within a county exempted from its application under section 74. If more than one municipality has jurisdiction over an area, the state building code continues to apply unless all municipalities having jurisdiction over the area have provided that the state building code, except the requirements for handicapped persons, does not apply within their respective jurisdictions.

Sec. 76. Minnesota Statutes 1983 Supplement, section 176.011, subdivision 9, is amended to read:

Subd. 9. [EMPLOYEE.] "Employee" means any person who performs services for another for hire including the following:

(1) an alien;

(2) a minor;

(3) a sheriff, deputy sheriff, constable, marshal, policeman, firefighter, county highway engineer, and peace officer while engaged in the enforcement of peace or in the pursuit or capture of any person charged with or suspected of crime and any person requested or commanded to aid an officer in arresting any person, or in retaking any person who has escaped from lawful custody, or in executing any legal process in which case, for purposes of calculating compensation payable under this chapter, the daily wage of the person requested or commanded to assist an officer or to execute a legal process shall be the prevailing wage for similar services where the services are performed by paid employees;

(4) a county assessor;

(5) an elected or appointed official of the state, or of any county, city, town, school district or governmental subdivision in it. An officer of a political subdivision elected or appointed for a regular term of office, or to complete the unexpired portion of a regular term, shall be included only after the governing body of the political subdivision has adopted an ordinance or resolution to that effect;

(6) an executive officer of a corporation, except an officer of a family farm corporation as defined in section 500.24, subdivision 1, clause (c), or an executive officer of a closely held corporation who is referred to in section

176.012;

(7) a voluntary uncompensated worker, other than an inmate, rendering services in state institutions under the commissioner of public welfare and state institutions under the commissioner of corrections similar to those of officers and employees of these institutions, and whose services have been accepted or contracted for by the commissioner of public welfare or the commissioner of corrections as authorized by law, shall be employees. In the event of injury or death of the voluntary uncompensated worker, the daily wage of the worker, for the purpose of calculating compensation payable under this chapter, shall be the usual going wage paid at the time of the injury or death for similar services in institutions where the services are performed by paid employees;

(8) a voluntary uncompensated worker engaged in peace time in the civil defense program when ordered to training or other duty by the state or any political subdivision of it, shall be an employee. The daily wage of the worker for the purpose of calculating compensation payable under this chapter, shall be the usual going wage paid at the time of the injury or death for similar services where the services are performed by paid employees;

(9) a voluntary uncompensated worker participating in a program established by a county welfare board shall be an employee. In the event of injury or death of the voluntary uncompensated worker, the wage of the worker, for the purpose of calculating compensation payable under this chapter, shall be the usual going wage paid in the county at the time of the injury or death for similar services where the services are performed by paid employees working a normal day and week;

(10) a voluntary uncompensated worker accepted by the commissioner of natural resources who is rendering services as a volunteer pursuant to section 84.089 shall be an employee. The daily wage of the worker for the purpose of calculating compensation payable under this chapter, shall be the usual going wage paid at the time of injury or death for similar services where the services are performed by paid employees;

(11) a member of the military forces, as defined in section 190.05, while in state active service, as defined in section 190.05, subdivision 5a. The daily wage of the member for the purpose of calculating compensation payable under this chapter shall be based on the member's usual earnings in civil life. If there is no evidence of previous occupation or earning, the trier of fact shall consider the member's earnings as a member of the military forces;

(12) a voluntary uncompensated worker, accepted by the director of the Minnesota historical society, rendering services as a volunteer, pursuant to chapter 138, shall be an employee. The daily wage of the worker, for the purposes of calculating compensation payable under this chapter, shall be the usual going wage paid at the time of injury or death for similar services where the services are performed by paid employees;

(13) a voluntary uncompensated worker, other than a student, who renders services at the Minnesota School for the Deaf or the Minnesota Braille and Sight-Saving School, and whose services have been accepted or contracted for by the state board of education, as authorized by law, shall be an employee. In the event of injury or death of the voluntary uncompensated

worker, the daily wage of the worker, for the purpose of calculating compensation payable under this chapter, shall be the usual going wage paid at the time of the injury or death for similar services in institutions where the services are performed by paid employees;

(14) a voluntary uncompensated worker, other than a resident of the veterans home, who renders services at a Minnesota veterans home, and whose services have been accepted or contracted for by the commissioner of veterans affairs, as authorized by law, is an employee. In the event of injury or death of the voluntary uncompensated worker, the daily wage of the worker, for the purpose of calculating compensation payable under this chapter, shall be the usual going wage paid at the time of the injury or death for similar services in institutions where the services are performed by paid employees;

(15) a worker who renders in-home attendant care services to a physically handicapped person, and who is paid directly by the commissioner of public welfare for these services, shall be an employee of the state within the meaning of this subdivision, but for no other purpose; and

(16) those students enrolled in and regularly attending the medical school of the University of Minnesota, whether in the graduate school program or the post-graduate program, as provided in section 147.20, notwithstanding that the students shall not be considered employees for any other purpose. In the event of the student's injury or death, the weekly wage of the student for the purpose of calculating compensation payable under chapter 176, shall be the annualized educational stipend awarded to the student, divided by 52 weeks. The institution in which the student is enrolled shall be considered the "employer" for the limited purpose of determining responsibility for paying benefits payable under chapter 176; and

(17) a voluntary uncompensated worker, accepted by the commissioner of administration, rendering services as a volunteer at the department of administration. In the event of injury or death of the voluntary uncompensated worker, the daily wage of the worker, for the purpose of calculating compensation payable under this chapter, shall be the usual going wage paid at the time of the injury or death for similar services in institutions where the services were performed by paid employees.

In the event it is difficult to determine the daily wage as provided in this subdivision, then the trier of fact may determine the wage upon which the compensation is payable.

Sec. 77. Minnesota Statutes 1982, section 645.445, subdivision 5, is amended to read:

Subd. 5. "Socially or economically disadvantaged person" means a person who has been deprived of the opportunity to develop and maintain a competitive position in the economy because of social or economic conditions. This disadvantage may arise from cultural, social or economic circumstances, or background, physical location if the person resides or is employed in an area designated a labor surplus area by the United States department of ~~commerce~~ labor, or other similar cause. It includes racial minorities, women, or persons who have suffered a substantial physical disability.

Sec. 78. [REPEALER.]

Minnesota Statutes 1982, sections 16.01; 16.011; 16.012; 16.014; 16.02, subdivisions 1, 2, 2a, 3, 4, 5, 5a, 6, 6a, 6b, 7, 8, 9, 10, 13, 15, 16, 17, 18, 19, 24, 25, 26, and 27; 16.021; 16.022; 16.023; 16.0231; 16.024; 16.025; 16.026; 16.028; 16.03; 16.04; 16.05; 16.06; 16.061; 16.062; 16.063; 16.064; 16.065; 16.066; 16.068; 16.07; 16.073; 16.075; 16.08; 16.081; 16.082; 16.083, subdivision 2; 16.086, subdivision 2; 16.09; 16.095; 16.096; 16.098, subdivisions 1, 2, 3, 5, 6, 7, 8, 9, 10, and 11; 16.12; 16.125; 16.135; 16.139; 16.172; 16.21; 16.22; 16.23; 16.24; 16.243; 16.244; 16.251; 16.281; 16.32, subdivisions 1, 3, and 4; 16.34; 16.365; 16.381; 16.51; 16.52; 16.53; 16.54; 16.55; 16.56; 16.71; 16.72; 16.723; 16.73; 16.75, subdivisions 1, 2, 3, 4, 5, 6, and 8; 16.753, subdivisions 1, 2, 4, 5, and 6; 16.756; 16.76; 16.77; 16.78; 16.80; 16.81; 16.811; 16.82, subdivision 2; 16.821; 16.822; 16.823; 16.824; 16.825; 16.826; 16.827; 16.83; 16.84; 16.85; 16.851, subdivisions 1 and 2; 16.854; 16.86; 16.861, subdivisions 1, 2, 4, 5, 6, and 7; 16.862; 16.8632; 16.864; 16.865; 16.866, subdivision 2; 16.867; 16.868; 16.869; 16.871; 16.872, subdivisions 1, 2, and 3; 16.874; 16.88; 16.89; 16.90, subdivisions 1, 2, and 3; 16.931; 16.94; 16.95; 16.955; 16.96; and 16.97; and Minnesota Statutes 1983 Supplement, sections 16.02, subdivisions 10a, 14, 28, and 29; 16.072; 16.0721; 16.083, subdivisions 1, 1a, 3, 4, 4a, 4b, 5 and 6; 16.084; 16.085; 16.086, subdivision 1; 16.092; 16.098, subdivision 4; 16.28; 16.32, subdivision 2; 16.321; 16.75, subdivisions 7 and 9; 16.753, subdivision 3; 16.82, subdivision 1; 16.851, subdivision 3; 16.861; subdivision 3; 16.863; 16.866, subdivision 1; 16.872; 16.90, subdivision 4; 16.91; and 16.911; are repealed."

Delete the title and insert:

"A bill for an act relating to state government; recodifying the laws governing the department of administration; allowing the commissioner of administration to transfer to local government units certain supplies, materials, and equipment; allowing the commissioner of administration to charge a price sufficient to cover costs when selling copies of laws and resolutions; allowing the commissioner of administration to lease office space and purchase supplies and equipment without the approval of the governor; allowing the commissioner of administration to provide for the use of certain motor vehicles by the governor and lieutenant governor; relating to the use of state vehicles and compensation for use of personal vehicles; including in the definition of the term "employee" for purposes of workers' compensation a voluntary uncompensated worker accepted by the commissioner of administration; specifying the United States department of labor as the entity which designates a labor surplus area; amending Minnesota Statutes 1982, sections 16A.065; and 645.445, subdivision 5; and Minnesota Statutes 1983 Supplement, section 176.011, subdivision 9; proposing new law coded in Minnesota Statutes, chapter 16A; proposing new law coded as Minnesota Statutes, chapter 16B; repealing Minnesota Statutes 1982, sections 16.01; 16.011; 16.012; 16.014; 16.02, subdivisions 1, 2, 2a, 3, 4, 5, 5a, 6, 6a, 6b, 7, 8, 9, 10, 13, 15, 16, 17, 18, 19, 24, 25, 26, and 27; 16.021; 16.022; 16.023; 16.0231; 16.024; 16.025; 16.026; 16.028; 16.03; 16.04; 16.05; 16.06; 16.061; 16.062; 16.063; 16.064; 16.065; 16.066; 16.068; 16.07; 16.073; 16.075; 16.08; 16.081; 16.082; 16.083, subdivision 2; 16.086, subdivision 2; 16.09; 16.095; 16.096; 16.098, subdivisions 1, 2, 3, 5, 6, 7, 8, 9, 10, and 11; 16.12; 16.125; 16.135; 16.139; 16.172; 16.21; 16.22; 16.23; 16.24; 16.243; 16.244; 16.251; 16.281; 16.32, subdivisions 1, 3, and 4; 16.34; 16.365; 16.381; 16.51; 16.52; 16.53; 16.54; 16.55; 16.56; 16.71; 16.72; 16.723; 16.73; 16.75, subdivisions 1, 2, 3, 4, 5, 6, and 8; 16.753, subdivisions 1, 2, 4, 5, and 6; 16.756; 16.76; 16.77; 16.78; 16.80; 16.81; 16.811; 16.82, sub-

division 2; 16.821; 16.822; 16.823; 16.824; 16.825; 16.826; 16.827; 16.83; 16.84; 16.85; 16.851, subdivisions 1 and 2; 16.854; 16.86; 16.861, subdivisions 1, 2, 4, 5, 6, and 7; 16.862; 16.8632; 16.864; 16.865; 16.866, subdivision 2; 16.867; 16.868; 16.869; 16.871; 16.872, subdivisions 1, 2, and 3; 16.874; 16.88; 16.89; 16.90, subdivisions 1, 2, and 3; 16.931; 16.94; 16.95; 16.955; 16.96; and 16.97; and Minnesota Statutes 1983 Supplement, sections 16.02, subdivisions 10a, 14, 28, and 29; 16.072; 16.0721; 16.083, subdivisions 1, 1a, 3, 4, 4a, 4b, 5, and 6; 16.084; 16.085; 16.086, subdivision 1; 16.092; 16.098, subdivision 4; 16.28; 16.32, subdivision 2; 16.321; 16.75, subdivisions 7 and 9; 16.753, subdivision 3; 16.82, subdivision 1; 16.851, subdivision 3; 16.861, subdivision 3; 16.863; 16.866, subdivision 1; 16.872; 16.90, subdivision 4; 16.91; and 16.911."

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. 1514: A bill for an act relating to solid and hazardous waste management; amending various provisions of the waste management act; prescribing various powers and duties of the waste management board and the pollution control agency relating to hazardous waste management planning and the development of hazardous waste facilities; establishing programs for public education, technical and research assistance to generators, and studies of hazardous waste reduction and processing and collection facilities; requiring requests for proposals for hazardous waste processing facilities; prescribing procedures for the designation of solid waste facilities by counties and waste management districts; amending various provisions relating to county and metropolitan solid waste management; appropriating money; amending Minnesota Statutes 1982, sections 115A.03, subdivision 28; 115A.06, by adding a subdivision; 115A.08, by adding a subdivision; 115A.11; 115A.18; 115A.24; 115A.46, subdivision 1; 115A.70, by adding a subdivision; 400.162; 473.181, subdivision 4; 473.811, subdivision 10; 473.833, subdivision 4; Minnesota Statutes 1983 Supplement, sections 115A.08, subdivisions 5 and 5a; 115A.21, subdivision 1; 115A.22, subdivisions 1 and 4; 115A.25, subdivisions 1, 1a, and 1b; 115A.26; 115A.27, subdivision 2; 115A.28, subdivision 1; 115A.291; and 473.823, subdivision 6; proposing new law coded in Minnesota Statutes, chapters 115A and 116E; repealing Minnesota Statutes 1982, sections 115A.071; 115A.46, subdivision 3; 115A.70, subdivisions 1, 2, 4, 5, and 6; 473.827; and Minnesota Statutes 1983 Supplement, section 115A.70, subdivisions 3 and 7.

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 115A.03, subdivision 1, is amended to read:

Subdivision 1. For the purposes of sections 115A.01 to 115A.72 and sections 34 to 55, the terms defined in this section have the meanings given them, unless the context requires otherwise.

Sec. 2. Minnesota Statutes 1982, section 115A.03, subdivision 28, is amended to read:

Subd. 28. "Resource recovery facility" means a waste facility established and used primarily for resource recovery, *including transmission facilities, transfer stations, and other related and appurtenant facilities that primarily serve the resource recovery facility.*

Sec. 3. Minnesota Statutes 1982, section 115A.06, is amended by adding a subdivision to read:

Subd. 5a. [ACQUISITION OF EASEMENTS.] *If the board determines that any activity necessary to accomplish its purposes under subdivision 5 constitutes a substantial interference with the possession, enjoyment, or value of the private property where the activity will take place, the board may direct the commissioner of administration to acquire a temporary easement interest in the property that permits the board to carry out the activity and other activities incidental to the accomplishment of the same purpose. The board may direct the commissioner of administration to acquire temporary easement interests under this subdivision by purchase, gift, or condemnation. The right of the board to acquire a temporary easement is subject to the same requirements and may be exercised with the same authority as provided for acquisition of property interests by the commissioner of administration under subdivision 4.*

Sec. 4. [115A.065] [AGREEMENT TO PURCHASE CERTAIN PROPERTY; ELIGIBILITY, TERMS, AND REQUIREMENTS; DISPOSITION OF ACQUIRED PROPERTY.]

Subdivision 1. [PUBLIC PURPOSE.] *The legislature finds that the selection and evaluation of more than one candidate site for the location of a hazardous waste disposal facility is necessary and proper to enable the state, if necessary, to select and acquire an environmentally suitable site for the safe disposal of hazardous waste and that the purchase of property in the immediate area of candidate sites where environmental review is conducted is an appropriate means to avoid or mitigate any disproportionate burden that may be incurred by the owners of the property as a result of the selection and evaluation of the candidate sites.*

Subd. 2. [ELIGIBILITY.] *A person who owns a parcel of real property with any part located within a candidate site or within one-half mile of the boundary of the candidate site when the board begins environmental review of the candidate site is eligible to enter a contract for the purchase to have that parcel purchased as provided in subdivision 3. An owner who enters a contract for the purchase of a parcel of property under subdivision 3 and fails to carry out the terms of the contract is not eligible to enter another contract for the purchase of that parcel of property. For the purpose of this section environmental review of a candidate site begins when the board has reduced the area of the candidate site to not more than 640 acres and has issued the disclosure document required for the phase I environmental impact statement.*

Subd. 3. [CONTRACT; TERMS AND REQUIREMENTS.] *If an eligible owner submits a written request to the commissioner of administration to enter a contract for the purchase of real property, the commissioner shall*

offer a contract to the owner as provided in this subdivision. The contract must be executed before the board makes a final decision under section 115A.28, except for property located within one-half mile of the boundary of a site and buffer area selected under section 115A.28, the contract must be executed within one year after the site and buffer area are selected. The contract shall include the following terms:

(1) The owner must make a good faith effort to sell the property at the appraised market value on the open market through a licensed real estate agent approved by the commissioner. The offer to sell the property must remain open for at least six months beginning within one month after the appraised market value of the property is determined under clause (2).

(2) The appraised market value of the property must be determined by an appraiser selected by the commissioner. If the owner disagrees with the appraisal, the owner shall select an appraiser and obtain a second appraisal. The commissioner and the owner may agree on an appraised market value equal to either the first or second appraisal or any amount between those appraisals. If the owner and the commissioner cannot agree on an appraised market value, the two appraisers shall select a third appraiser and the appraised market value shall be determined by a majority of the three appraisers. All appraisers shall be selected from the commissioner's approved list of real property appraisers, and shall take an oath that they have no interest in any of the property to be appraised or in the purchase thereof. Each party shall pay the cost of any appraiser selected by that party and shall share equally in the cost of any third appraiser selected under this clause. The appraised market value of the property shall not be increased or decreased by reason of its location in or near a candidate site.

(3) The commissioner shall purchase the property at the appraised market value determined under clause (2) if:

(a) the owner and the owner's real estate agent provide an affidavit to the commissioner that the owner has made a good faith effort to sell the property as provided in clause (1) and has been unable to sell it at the appraised market value;

(b) the commissioner determines that the owner has marketable title to the property or that the owner has cured any defects in the title within a reasonable time as specified in the contract; and

(c) the owner conveys the property by warranty deed in a form acceptable to the commissioner.

(4) The owner may not assign or transfer any rights under the contract to any other person.

(5) The contract expires and the obligations of the parties under the contract cease when the board makes a final decision under section 115A.28, except that a contract for purchase of property located outside the boundary of a site and buffer area selected under section 115A.28 expires two years after the selection of the site.

The commissioner may require other terms consistent with the purposes of this section if the commissioner deems them necessary to protect the interests of the owner and of the state.

Subd. 4. [NO COMMISSION IF PROPERTY SOLD TO STATE.] A real estate agent may not receive a commission or any other compensation from an owner of property which is subject to a contract under subdivision 3 if the property is purchased by the state under that contract. Any term of a contract between a real estate agent and a property owner contrary to the provisions of this subdivision is void and unenforceable.

Subd. 5. [ADMINISTRATION.] The commissioner of administration is authorized to perform acts necessary to enter and enforce contracts to purchase real property as provided in this section, including selecting and contracting with appraisers. Money required to enter and enforce the contracts and to purchase the property is appropriated to the commissioner of administration from the waste management fund.

Subd. 6. [DISPOSITION OF PROPERTY.] The commissioner of administration shall retain any property acquired under this section in state ownership until the board makes a final decision under section 115A.18. After a final decision under section 115A.28, the commissioner shall sell all property located in the area of any site eliminated from further consideration as a candidate site and all property in the area of a final site selected by the board that is not needed for the site or buffer area unless the commissioner determines that temporary retention of the property would best protect the interests of the state. The property shall be sold in the manner required under sections 94.10 to 94.16, except that the commissioner shall not make any separate offer to sell the property to any political subdivision before offering it for public sale, and the proceeds of the sale shall be deposited in the waste management fund. Money required to pay the expenses of selling the property is appropriated to the commissioner from the waste management fund.

The commissioner may lease out or rent out property acquired under this section for any use that is consistent with the development limitations under section 115A.21, subdivision 3, until it is sold or is needed for use as a facility site or buffer area. Proceeds of any lease or rental shall be deposited in the waste management fund. The commissioner may insure the state against loss to the property by fire, lightning, windstorm, tornado, flood, or hail, in the amount determined by the commissioner, using any insurance company licensed to do business in the state. Money required to pay the insurance premiums is appropriated to the commissioner from the waste management fund.

Sec. 5. Minnesota Statutes 1983 Supplement, section 115A.08, subdivision 5, is amended to read:

Subd. 5. [REPORT ON MITIGATION OF LOCAL EFFECTS OF HAZARDOUS WASTE FACILITIES.] ~~With the report required by subdivision 4,~~ The board through its chairperson shall issue a report and make recommendations on methods of mitigating and compensating for the local risks, costs, and other adverse effects of various types of hazardous waste facilities and on methods of financing mitigation and compensation measures. The methods of mitigating and compensating to be considered ~~shall~~ *must* include but not be limited to the following: payment outside of levy limitations in lieu of taxes for all property taken off the tax rolls; preference in reviews of applications for federal funds conducted by the metropolitan council and regional development commissions; payment of all costs to service the facilities in-

cluding the cost of roads, monitoring, inspection, enforcement, police and fire, and litter clean up costs; payment for buffer zone amenities and improvement; local control over buffer zone design; a guarantee against any and all liability that may occur. *The recommendations on processing facilities must be made with the report required by subdivision 4. The recommendations on disposal facilities must be made with the report required by section 6.*

Sec. 6. Minnesota Statutes 1982, section 115A.08, is amended by adding a subdivision to read:

Subd. 5b. [REPORT ON NEED AND FEASIBILITY OF HAZARDOUS WASTE DISPOSAL FACILITIES.] The board shall issue a report on the estimate of need and the feasibility analysis required by section 115A.24 prior to holding a hearing under section 115A.27.

Sec. 7. Minnesota Statutes 1983 Supplement, section 115A.11, is amended to read:

115A.11 [HAZARDOUS WASTE MANAGEMENT PLAN.]

Subdivision 1. [~~CONTENTS REQUIREMENT.~~] The board shall adopt, *amend if appropriate, and implement* a hazardous waste management plan.

Subd. 1a. [POLICY.] In developing and implementing the plan, the highest priority of the board shall must be placed upon alternatives to land disposal of hazardous wastes including: technologies to modify industrial processes or introduce new processes which will reduce or eliminate hazardous waste generation; recycling, re-use, and recovery methods to reduce or eliminate hazardous waste disposal; and conversion and treatment technologies to reduce the degree of environmental risk from hazardous waste. The board shall also consider technologies for retrievable storage of hazardous wastes for later recycling, re-use, recovery, conversion, or treatment.

Subd. 1b. [CONTENTS.] The plan shall must include at least the following elements prescribed in this subdivision:

(a) ~~an~~ *The plan must estimate of the types and volumes quantities of hazardous waste which that will be generated in the state through the year 2000.*

(b) *The plan must set out specific and quantifiable objectives for reducing to the greatest feasible and prudent extent the need for and practice use of disposal facilities located within the state, through waste reduction, pre-treatment, retrievable storage, processing, and resource recovery.*

(c) ~~a description of~~ *The plan must estimate the minimum disposal capacity and capability needed to be developed within the state for use required by generators in the state through the year 2000.* *The estimate must be based on the achievement of the objectives under clause paragraph (b).*

(d) ~~a description of~~ *The plan must describe and recommend the necessary implementation strategies required to develop the needed assure availability of disposal capacity for the types and quantities of waste estimated under clause paragraph (c) and to achieve the objectives under clause in paragraph (b), including . The recommendations must address at least the following: the necessary private and government actions; the types of facilities and programs required; the availability and use of specific facilities outside of the*

state; development schedules for facilities, services, and ~~regulations~~ rules that should be established in the state; revenue-raising and financing measures; levels of public and private effort and expenditure; legal and institutional changes; and other similar matters.

(e) The plan shall ~~must~~ provide for the orderly development of hazardous waste management sites and facilities to protect the health and safety of rural and urban communities. In preparing the plan the board shall consider its impact upon agriculture and natural resources.

(f) The plan shall ~~require the establishment in the state of at least one commercial retrievable storage or disposal facility and shall recommend and encourage must include~~ methods and procedures that will ~~insure encourage~~ the establishment of ~~at least one facility~~ programs, services, and facilities that the board recommends for development in the state for the recycling, re-use, recovery, conversion, treatment, destruction, transfer, ~~or storage, retrievable storage, or disposal~~ of hazardous waste.

(g) The plan must be consistent with the estimate of need and feasibility analysis prepared under section 115A.24, the analysis provided in the phase 1 environmental impact statement determined to be adequate under section 115A.25, subdivision 1a, and the decisions made by the board under sections 115A.28 and 115A.291.

(h) The board may make the implementation of elements of the plan contingent on actions of the legislature which have been recommended in the draft plan ~~and certification of need and considered in the reports submitted pursuant to section 115A.08.~~

Subd. 2. [PROCEDURE.] ~~The plan shall be based upon the reports prepared pursuant to section 115A.08. The plan, the certificate of need issued under section 115A.24, and the procedures for hearings on the draft plan and draft certificate of need, shall are not be~~ subject to the rule-making or contested case provisions of chapter 14. *Before revising the draft plan prepared under subdivision 3 or amending its adopted plan, the board shall provide notice and hold a public hearing in a manner consistent with the procedure followed by the board in the hearings on the draft plan, as provided in subdivision 3 and approved by the legislative commission.*

Subd. 3. [PREPARATION OF DRAFT PLAN.] By July 1, 1983, the ~~chairman~~ chairperson of the board shall report to the legislative commission on waste management about the hearing to be held pursuant to this subdivision. The ~~chairman~~ chairperson shall describe the board's plans and procedures for the hearing, the provisions for encouraging public participation in the hearing, and the board's plans for preparing the required report to the legislature fully and accurately summarizing the results of the hearing, the objections raised to the board's draft plan ~~and certification~~, and the board's response to the testimony received. The legislative commission shall hold a hearing to receive public comment on the board's proposed hearing procedures and thereafter shall make any recommendations it deems appropriate for changes in the board's procedures. By November 1, 1983, the board through its chairperson shall issue a draft hazardous waste management plan proposed for adoption pursuant to this section; ~~and a draft certificate of certificates of need proposed for issuance under section 115A.24. The draft plan and certificates~~ must include an explanation of the basis of the findings, con-

clusions, and recommendations contained therein. The board shall hold a public hearing on the draft plan ~~and draft certificate or certificates of need~~ within 30 days of ~~their~~ its issuance. Notices of the draft plan ~~and the draft certificate or certificates~~ and notice of the hearing ~~shall must~~ be published in the state register and newspapers of general circulation in the state. The notices must indicate how copies of the draft plan ~~and draft certificate or certificates of need~~ may be obtained. The board shall make the draft plan ~~and draft certificate or certificates of need~~ available for public review and comment at least 21 days before the hearing. The hearing ~~shall must~~ be ordered by the chairperson of the board and ~~shall must~~ be conducted by the state office of administrative hearings in a manner consistent with the completion of the proceedings in the time allowed by this section. The hearing officer ~~shall may~~ not issue a report but shall preside at the hearing to ensure that the hearing is conducted in a fair, orderly, and expeditious manner and in accordance with the hearing procedures of the board. A majority of the permanent members of the board shall attend the hearing. In connection with the hearing, the chairperson of the board shall provide copies of the studies and reports on which the draft plan ~~and certification of need~~ ~~are~~ is based and shall present an explanation of the basis of the findings, conclusions, and recommendations in the draft plan ~~and certification of need~~.

Within 15 days following the hearing the director of the agency shall issue a hazardous waste pollution control report. The report must be submitted to the legislative commission. The report must be based on existing and proposed federal and state pollution control rules and available information and expertise on the character, nature, and degree of hazard of the types and categories of hazardous waste identified in the plan. The report must:

(a) assess the pollution control problems and risks associated with each type and category of hazardous waste identified by the ~~draft certification of need~~ plan as eligible for disposal, before or after pretreatment, at a facility or facilities of the type and design selected by the board, and identify design and pretreatment alternatives or other methods for dealing with those problems and risks;

(b) identify at least one specific alternative technology for dealing with each waste which the report recommends should not be ~~certified~~ ~~accepted~~ for disposal, and assess the pollution control problems and risks associated with the alternatives;

(c) assess the pollution control problems and risks associated with each standard and criteria contained in the plan ~~and certification~~ for determining the eligibility or ineligibility of waste for disposal;

(d) assess the pollution control programs and risks associated with the processing and other alternatives to disposal which are recommended in the plan for specific types or categories of hazardous waste, and identify methods for dealing with those problems and risks.

Within 30 days following the hearing, the board shall revise the draft plan ~~and the draft certificate or certificates of need~~ as it deems appropriate, shall make a written response to the testimony received at the hearing and to the agency's report explaining its disposition of any recommendations made with respect to the plan ~~and certification~~, and shall submit to the legislative commission the revised draft plan ~~and certification of need~~, together with a

report on the testimony received, the board's response, and the results of the hearing process.

Sec. 8. [115A.152] [TECHNICAL AND RESEARCH ASSISTANCE TO GENERATORS.]

Subdivision 1. [PURPOSES.] The board shall provide for the establishment of a technical and research assistance program for generators of hazardous waste in the state. The program must be designed to assist the generators in the state to obtain information about management of hazardous wastes, to identify and apply methods of reducing the generation of hazardous wastes, to facilitate improved management of hazardous waste and compliance with hazardous waste regulations, and for other similar purposes. The program must emphasize assistance to smaller businesses that have inadequate technical and financial resources for obtaining information, assessing waste management methods, and developing and applying waste reduction techniques. Information and techniques developed under this program must be made available through the program to all generators in the state.

Subd. 2. [ASSISTANCE.] The assistance program must include at least the following elements:

(1) outreach programs including on-site consultation at locations where hazardous waste is generated, seminars, workshops, training programs, and other similar activities designed to assist generators to evaluate their hazardous waste generation and management practices, identify opportunities for waste reduction and improved management, and identify subjects that require additional information and research;

(2) a program to assemble, catalog, and disseminate information about hazardous waste reduction and management methods, available commercial waste management facilities and consultant services, and regulatory programs;

(3) evaluation and interpretation of information needed by generators to improve their management of hazardous waste;

(4) informational and technical research to identify alternative technical solutions that can be applied by specific generators to reduce the generation of hazardous waste.

Subd. 3. [ADMINISTRATION; EVALUATION.] The assistance program must be coordinated with other public and private programs that provide management and technical assistance to small businesses including programs operated by public and private educational institutions. The board may make grants to a public or private person or association to establish and operate the elements of the program required under this section. A grantee may not charge generators for this program. The board must require the grantees to provide periodic reports on the improvements in waste management, waste reduction, and regulatory compliance achieved by generators through the assistance provided.

Sec. 9. [115A.154] [WASTE REDUCTION GRANTS.]

Subdivision 1. [PROPOSALS AND GRANTS.] The board may make grants to generators of hazardous waste in the state for studies to determine

the feasibility of applying specific methods and technologies to reduce the generation of hazardous waste. Grants may be awarded only on the basis of proposals submitted to the board by generators. The board shall determine and select the proposals that offer the greatest opportunity to significantly reduce the hazardous waste generated by the proposing generator and, if applied generally, to significantly reduce the hazardous waste generated in the state. The significance of waste reduction may be measured by the volume of hazardous waste that is eliminated or by the reduction in risk to public health and safety and the environment that is achieved by the waste reduction. In awarding grants, the board may consider the extent of financial and technical support that will be available from other sources to make the study. The board may adopt additional criteria for awarding grants consistent with the purposes of this section.

Subd. 2. [LIMITATIONS.] The waste reduction information and techniques developed using grants awarded under this section must be made available to all generators in the state through the technical and research program. Grant money awarded under this section may not be spent for capital improvements or equipment.

Sec. 10. [115A.156] [WASTE PROCESSING AND COLLECTION FACILITIES AND SERVICES; DEVELOPMENT GRANTS.]

Subdivision 1. [PURPOSE.] The board may make grants to determine the feasibility and method of developing and operating specific types of commercial facilities and services for collecting and processing hazardous waste, including integrated facilities designed for both processing and disposal of hazardous waste. Grants may be made for:

- (1) market assessment, including generator surveys;*
- (2) conceptual design and preliminary engineering;*
- (3) financial and business planning necessary to address sources of funding, financial security, liability, pricing structure, and similar matters to develop and affecting development and operation of a facility or service;*
- (4) environmental impact and site analysis, preparation of permit applications, and environmental and permit reviews;*
- (5) analysis of methods to eliminate identified technical, institutional, legal, regulatory, market, or other problems in developing or operating a facility or service; and*
- (6) analysis of other factors affecting development, operation, and use of a facility or service.*

Subd. 2. [ELIGIBILITY.] Any person proposing to develop and operate specific collection and processing facilities or services to serve generators in the state is eligible for a grant under this section. The board may give preference to studies proposed by associations of two or more generators in the state proposing to develop and operate commercial facilities or services capable of collecting or processing their hazardous wastes.

Subd. 3. [PROCEDURE FOR AWARDING GRANTS.] The board may establish procedures for awarding grants under this section. The procedures for awarding grants must include consideration of the following factors:

(1) the need to provide collection and processing for a variety of types of hazardous wastes;

(2) the extent that a proposed facility or service would provide a significant amount of processing or collection capacity for waste generated in the state, measured by the volume of waste to be addressed, the number and geographic distribution of generators to be served, or the reduction of risk to public health and safety and the environment achieved by the operation of the facility or service;

(3) the availability of a facility or service to the generators needing the service in the area to be served;

(4) the extent that a proposed facility or service would accomplish the policies and objectives of the hazardous waste management plan;

(5) participation by persons with demonstrated experience in developing, designing, or operating hazardous waste collection or processing facilities or services;

(6) the need for assistance from the board to accomplish the work;

(7) the extent that the proposal would produce and analyze new information; and

(8) other factors established by the board consistent with the purposes of this section.

The board may adopt temporary rules under sections 14.29 to 14.36 to implement the grant program under this section. Any temporary rules adopted by the board shall remain in effect for 360 days or until permanent rules are adopted, whichever occurs first.

Subd. 4. [LIMITATIONS.] Grants under this section are limited to \$50,000 per study. The board may award grants for more than one study for a single proposed facility or service if the board finds that results of previous studies justify additional work on other aspects of the development and operation of the facility or service. Grant money awarded under this section may not be spent for capital improvements or equipment.

Subd. 5. [MATCHING FUNDS REQUIRED.] A recipient other than an association of generators must agree as a condition of receiving a grant under this section to provide at least 50 percent of the cost of the study from the funds of the recipient. An association of generators must agree to provide at least 20 percent of the cost of the study from the funds of the association or its members.

Sec. 11. [115A.158] [DEVELOPMENT OF PROCESSING AND COLLECTION FACILITIES AND SERVICES; REQUESTS FOR PROPOSALS.]

Subdivision 1. [REQUEST BY BOARD; CONTENTS OF PROPOSAL.]

(a) The board through its chairperson shall request proposals for the development and operation of specific types of commercial hazardous waste processing and collection facilities and services, including integrated facilities designed for both processing and disposal of hazardous waste, that offer the greatest possibility of achieving the policies and objectives of the waste management plan including the goal of reducing to the greatest extent feas-

ible and prudent the need for and practice of disposal. The proposals must contain at least the following information:

(1) the technical, managerial, and financial qualifications and experience of the proposer in developing and operating facilities and services of the type proposed;

(2) the technical specifications of the proposed facility or service including the process that will be used, the amount and types of hazardous waste that can be handled, the types, volume, and proposed disposition of residuals, and a description of anticipated adverse environmental effects;

(3) the requirements of the site needed to develop and operate the facility or service and the likelihood that a suitable site will be available for the facility or service;

(4) projections of the costs and revenues of the facility or service, the types and numbers of generators who will use it, and the fee structure and estimated user charges necessary to make the facility or services economically viable;

(5) the schedule for developing and commencing operation of the facility or service; and

(6) the financial, technical, institutional, legal, regulatory, and other constraints that may hinder or prevent the development or operation of the facility or service and the actions that could be taken by state and local governments or by the private sector to overcome those constraints.

(b) The information provided in the proposal must be based on current and projected market conditions, hazardous waste streams, legal and institutional arrangements, and other circumstances specific to the state.

Subd. 2. [PROCEDURE; EVALUATION; REPORT.] (a) In requesting proposals, the board shall inform potential developers of the assistance available to them in siting and establishing hazardous waste processing and collection facilities and services in the state including the availability of sites listed on the board's inventory of preferred areas for hazardous waste processing facilities, the authority of the board to acquire sites and order the establishment of facilities in those areas, the policies and objectives of the hazardous waste management plan, and the availability of information developed by the board on hazardous waste generation and management in the state.

(b) The board shall evaluate the proposals received from the request and determine the qualifications of the developers, the technical and economic feasibility of the proposed facility or service, and the extent that the proposed facility or service will contribute in a significant way to the achievement of the policies and objectives of the hazardous waste management plan.

(c) The board shall report to the legislative commission on the proposals that it has received and evaluated, and on the legislative, regulatory, and other actions needed to develop and operate the proposed facilities or services.

Subd. 3. [TIME FOR PROPOSALS.] The board shall issue the first round of requests under this section by June 1, 1984. The first round proposals must

be returned to the board by November 1, 1984. The board shall submit its report on these proposals to the legislative commission by January 1, 1985. The board may issue additional requests in 1985 and in future years.

Sec. 12. [115A.16] [EVALUATION OF PROGRAMS; REPORT.]

By November 1, 1986, the board shall evaluate the extent that the programs provided in sections 8 to 11 have contributed to achievement of the policies and objectives of the hazardous waste management plan. The evaluation must consider the amount of waste reduction achieved by generators through the technical and research assistance and waste reduction grant programs and the progress in reducing the need for and practice of disposal achieved through the development grants and the request for proposal program. The board shall report the results of its evaluation to the legislative commission with its recommendations for further action.

Sec. 13. [115A.165] [HAZARDOUS WASTE PROCESSING FACILITY LOANS.]

(a) The board shall review applications for hazardous waste processing facility loans received by the economic development authority and forwarded to the board under section 58. The board may certify a loan application only if it determines that:

(1) the applicant has demonstrated that the proposed facility is technically feasible;

(2) the applicant has made a reasonable assessment of the market for the services offered by the proposed facility;

(3) the applicant has agreed to provide funds for the proposed facility in an amount equal to at least 25 percent of the capital cost of the facility excluding land acquisition cost;

(4) the applicant has agreed to pay the cost of any land acquisition necessary to develop the facility; and

(5) the facility will contribute in a significant way to achievement of the policies and objectives of the hazardous waste management plan and, in particular, to reduce the need for and practice of hazardous waste disposal.

(b) As a condition of its certification the board may require an applicant to agree to provide funds in excess of 25 percent of the capital cost of the facility in addition to any land acquisition costs. In certifying an application or in determining the share of the capital costs that will be provided by the loan, the board may consider the types and volumes of hazardous waste that will be handled by the facility, the number of generators served by the facility, and the extent to which the facility serves the need of smaller businesses that generate hazardous waste. The board may establish additional criteria for certifying loan applications consistent with the provisions of this section.

Sec. 14. Minnesota Statutes 1982, section 115A.18, is amended to read:

115A.18 [LEGISLATIVE FINDINGS; PURPOSE.]

The legislature finds that proper management of hazardous waste generated in the state is needed to conserve and protect the natural resources in the state and the health, safety, and welfare of its citizens, that the establish-

ment of safe *commercial* disposal facilities is in the state may be necessary and practicable to properly manage the waste, that this cannot be accomplished solely by the activities of private persons and political subdivisions acting alone or jointly, and that therefore it is necessary to provide a procedure for making final determinations on *whether commercial disposal facilities should be established in the state and on the locations, sizes, types, and functions of any such facilities.*

Sec. 15. Minnesota Statutes 1983 Supplement, section 115A.21, subdivision 1, is amended to read:

Subdivision 1. [SELECTION.] The board shall select ~~at least four locations more than one location~~ in the state, ~~no but not~~ more than one site per county, as candidate sites for commercial disposal facilities for hazardous waste. ~~Candidate sites selected by the board before February 1, 1983, and additional candidate sites selected pursuant to this section,~~ must be reviewed pursuant to sections 115A.22 to 115A.30. No location shall be selected as a candidate site unless the agency certifies its intrinsic suitability for the use intended pursuant to subdivision 2a.

Sec. 16. Minnesota Statutes 1982, section 115A.21, is amended by adding a subdivision to read:

Subd. 1a. [VOLUNTEER CANDIDATE SITES.] (a) *In addition to sites selected under subdivision 1, the board may select candidate sites as provided in this subdivision. The board may submit a site to the agency under this subdivision if the site is proposed as a candidate site by a facility operator with the approval of the owners of the site and the governing bodies of the county and municipality in which the site is located. The board may select the site as a candidate site if the agency determines and certifies that the site is intrinsically suitable for the use intended. The director of the agency shall identify the information needed by the agency to make a determination of intrinsic suitability. The board shall obtain the necessary information and provide it to the agency.*

(b) *The director of the agency shall make a recommendation to the agency board on intrinsic suitability within 30 days after receiving the information from the board. The agency board shall make the determination on intrinsic suitability not later than the first regular meeting of the agency board held at least ten days after the director's recommendation.*

(c) *The decisions of the board and the agency under this subdivision are not subject to the contested case or rulemaking provisions of chapter 14, or the procedures provided in subdivision 2a.*

Sec. 17. Minnesota Statutes 1983 Supplement, section 115A.22, subdivision 1, is amended to read:

Subdivision 1. [GENERAL.] In order systematically to involve those who would be affected most directly by disposal facilities in all decisions leading to their establishment, the board's decisions on reports referred to in subdivision 7, the plan adopted under section 115A.11, and the ~~certification of need estimates and analysis~~ required under section 115A.24 shall not be made until after the establishment of local project review committees for each candidate site, with representation on the board, pursuant to this section.

Sec. 18. Minnesota Statutes 1983 Supplement, section 115A.22, subdivision 4, is amended to read:

Subd. 4. [APPOINTMENT OF TEMPORARY BOARD MEMBERS.] Within 30 days following the appointment of a local project review committee, the local committee shall select a temporary board member to be added to the board for the purposes of the reports to be issued under section 115A.08, the plan to be adopted under section 115A.11, and the ~~need certifications estimates, the analysis and the~~ review of candidate sites conducted under sections 115A.18 to 115A.30. Temporary board members shall not participate or vote in decisions affecting the selection and certification of sites under sections 115A.201 and 115A.21. If a local committee fails to appoint a temporary board member within the time permitted by this subdivision, the governor shall appoint a temporary board member to represent the committee on the board. Temporary board members may be members of the local project review committee, and they shall be residents of the county where the candidate site is located. Temporary board members shall serve for terms lasting as long as the location the member represents is a candidate site or, in the case of members representing ~~the~~ a site or sites finally chosen for the facility, until the commencement of the operation of the facility at that site.

Sec. 19. Minnesota Statutes 1983 Supplement, section 115A.24, is amended to read:

115A.24 [~~CERTIFICATION OF NEED DISPOSAL FACILITIES; ESTIMATE OF NEED; ANALYSIS OF ECONOMIC FEASIBILITY.~~]

Subdivision 1. [~~CERTIFICATE ESTIMATE OF NEED FOR DISPOSAL FACILITIES.~~] ~~On the basis of and consistent with its hazardous waste management plan adopted under section 115A.11, The board shall issue a certificate or certificates of need for disposal facilities for hazardous wastes in the state. The certificate or certificates shall indicate the types and volumes of waste for which disposal facilities are and will be needed through the year 2000 and The board shall develop an estimate of the number, types, capacity, and function or use of the any hazardous waste disposal facilities needed in the state. Before finally adopting the certificate of need the board shall submit it to the agency for a revision of the hazardous waste pollution control report required under section 115A.11, subdivision 2.~~

In developing its estimate the board shall:

(1) *prepare a preliminary estimate of the types and quantities of waste generated in the state that will need disposal through the year 2000;*

(2) *estimate the disposal capacity located outside of the state, considering the status of facility permits, current and planned capacity, and prospective restrictions on expansion of capacity;*

(3) *estimate the continued availability of capacity outside of the state for disposal of waste generated in the state;*

(4) *estimate the types and quantities of waste likely to be generated as residuals of the commercial hazardous waste processing facilities recommended by the board for development in the state, considering the likely users of the facilities; and*

(5) compare the indirect costs and benefits of developing disposal facilities in the state and relying on facilities outside the state to dispose of hazardous waste generated in the state, considering the effects on business, employment, economic development, public health and safety, the environment, and the development of collection and processing facilities and services in the state.

The board shall certify need. In preparing the estimate the board may identify need for disposal only to the extent that the board has determined that there are no feasible and prudent alternatives, including waste reduction, separation, pretreatment, processing, and resource recovery, which would minimize adverse impact upon air, water, land and all other natural resources; provided that the board shall require the establishment of at least one commercial disposal facility in the state. Economic considerations alone shall may not justify certification nor an estimate of need for disposal or the rejection of alternatives. Alternatives that are speculative and conjectural shall are not be deemed to be feasible and prudent. The board shall consider all technologies being developed in other countries as well as in the United States when it considers the alternatives to hazardous waste disposal. The certificate or certificates shall not be subject to the provisions of chapter 14 but shall be the final determination required on the matters decided by the certificate or certificates and shall have the force and effect of law. The certificate or certificates shall not be amended for five years except as provided in section 115A.291. In reviewing and selecting sites, completing and determining the adequacy of environmental impact statements, and issuing approvals and permits for waste disposal facilities described in the certificate or certificates of need, matters determined in the certification shall not be reconsidered except as otherwise provided in section 115A.291. The board and the permitting agencies shall be required to make a final decision approving the establishment of facilities consistent with the certification except as otherwise provided in section 115A.291.

Subd. 3. [RADIOACTIVE WASTE.] *The board's certificate estimate of need shall not allow the use of a facility for disposal of radioactive waste, as defined by section 116C.71, subdivision 6.*

Subd. 4. [ECONOMIC FEASIBILITY ANALYSIS.] *The board shall prepare an economic feasibility analysis for disposal facilities of the type, capacity and function or use estimated by the board to be needed in the state under subdivision 1. The analysis must be specific to the sites where the facilities are proposed to be located. The analysis must include at least the following elements:*

(1) an estimate of the capital, operating, and other direct costs of the facilities and the fee schedules and user charges necessary to make the facilities economically viable;

(2) an assessment of the other costs of using the disposal facilities, such as transportation costs and disposal surcharges;

(3) an assessment of the market for the facility for waste generated in the state that identifies the generators that would use the facility under existing and likely future market conditions, describes the methods otherwise available to those generators to manage their wastes and the costs of using those methods, and establishes the level at which the cost of using the proposed facilities would be competitive with the cost of using other available methods

of waste management; and

(4) an estimate of any subsidy needed to make the facility competitive for Minnesota generators under existing market conditions and the changes in market conditions that would increase or lower the subsidy.

Sec. 20. Minnesota Statutes 1983 Supplement, section 115A.241, is amended to read:

115A.241 [PARTICIPATION BY FACILITY DEVELOPERS AND OPERATORS.]

The board shall solicit the participation of private developers and operators of waste facilities in the evaluation of hazardous waste disposal sites and facility specifications. ~~To qualify for consideration as a developer or operator, a person shall submit a letter~~ *The board shall request developers and operators to submit letters of intent to participate in evaluating sites, economic feasibility of disposal facilities, and facility specifications. The letters must be submitted to the board within 90 days following the publication of the board's draft plan pursuant to section 115A.08, subdivision 4 by September 1, 1984.* To qualify for selection as a developer or operator, a person shall submit operability reports to the board at least 60 days before the board's hearings under section 115A.27, *and shall submit an amended report within 60 days following the decisions under section 115A.28.* The letters of intent and reports shall be in the form and contain the information deemed appropriate by the board.

Sec. 21. Minnesota Statutes 1983 Supplement, section 115A.25, subdivision 1, is amended to read:

Subdivision 1. [ENVIRONMENTAL IMPACT STATEMENT.] A phased environmental impact statement ~~shall must~~ be completed by the board and the agency *before any permits are issued under section 115A.291.* The statement must be prepared and reviewed in accordance with chapter 116D and the rules issued pursuant thereto, except as otherwise required by this section and sections 115A.11, ~~115A.24,~~ 115A.28, and 115A.30. The board and agency shall follow the procedures in subdivisions 2 and 3 in lieu of the scoping requirements of chapter 116D and rules issued pursuant thereto. The statement ~~shall must~~ be completed in two phases as provided in subdivisions 1a and 1b.

Sec. 22. Minnesota Statutes 1983 Supplement, section 115A.25, subdivision 1a, is amended to read:

Subd. 1a. [PHASE I.] Phase I of the statement ~~shall must~~ be completed by the board on the environmental effects of the ~~board's decision on sites and facility specifications~~ *decisions that the board is required to make under section 115A.28.* Phase I of the statement ~~shall must~~ not address or reconsider ~~alternative sites or facility numbers, types, capacity, function, and use which alternatives that have been eliminated from consideration by the board's decisions under sections 115A.201 and 115A.21 and 115A.24.~~ The determination of the adequacy of phase I of the statement is exclusively the authority of the board. The governor shall establish an interagency advisory group to comment on the scope of phase I of the statement, to review drafts, and to provide technical assistance in the preparation and review of phase I of the statement. The advisory group ~~shall must~~ include representatives of the

agency, the departments of natural resources, health, agriculture, energy, planning and development, and transportation, and the Minnesota geological survey. In order to obtain the staff assistance necessary to prepare the statement, the chairperson of the board may request reassignment of personnel pursuant to section 16.21 and may arrange to have other agencies prepare parts of the statement pursuant to section 16.135.

Sec. 23. Minnesota Statutes 1983 Supplement, section 115A.25, subdivision 1b, is amended to read:

Subd. 1b. [PHASE II.] Phase II of the statement ~~shall~~ *must* be completed by the agency as a supplement to phase I specifically for the purpose of examining the environmental effects of ~~the any~~ permitting decisions *that may be required* to be made by the permitting agencies under section 115A.291. In preparing, reviewing, and determining the adequacy of phase II of the statement, the agency shall not repeat or duplicate the research and analysis contained in phase I of the statement, unless the agency determines that the information available is not adequate or that additional information is necessary to examine the environmental effects of the permitting decisions. Phase II of the statement ~~shall may~~ not address or reconsider ~~alternative sites and facility numbers, types, capacity, function, and use which alternatives that~~ have been eliminated from consideration by the board's decisions under sections 115A.201, 115A.21, ~~115A.24~~, and 115A.28. The determination of adequacy of phase II of the statement must be made by the agency within 180 days following submission of the preliminary permit application or applications under section 115A.291. The determination of the adequacy of phase II of the statement is exclusively the authority of the agency.

Sec. 24. Minnesota Statutes 1983 Supplement, section 115A.26, is amended to read:

115A.26 [AGENCIES; REPORT ON PERMIT CONDITIONS AND APPLICATION REQUIREMENTS.]

Within 30 days following the board's determination of the adequacy of phase I of the environmental impact statement, and after consulting with the board, facility developers, affected local government units, and the local project review committees, the chief executive officer of each permitting state agency shall issue to the board draft reports on permit conditions and permit application requirements at each candidate site. The reports must indicate, to the extent possible based on existing information, the probable terms, conditions, and requirements of permits, including the types and categories of waste eligible for disposal with or without pretreatment, and the probable supplementary documentation that will be required for phase II of the environmental impact statement under section 115A.25 and for permit applications under section 115A.291. The reports may be revised following the hearings under section 115A.27 as the chief executive officer deems necessary. ~~The reports must be consistent with the establishment of facilities in accordance with the certification of need.~~

Sec. 25. Minnesota Statutes 1983 Supplement, section 115A.27, subdivision 2, is amended to read:

Subd. 2. [BOARD HEARINGS.] Within 120 days following the board's determination of the adequacy of phase I of the environmental impact state-

ment under section 115A.25, the board shall conduct a hearing in each county containing a candidate site, for the purpose of receiving testimony on the decisions required under section 115A.28. The hearings ~~shall must~~ be ordered by the chairperson of the board. The subject of the board hearing ~~shall may~~ not extend to matters previously decided in the board's decision on sites under ~~section sections~~ 115A.201 and 115A.21 ~~and the certificate of need issued under section 115A.24~~. *The record of the hearings must include the estimate of need for disposal facilities and the economic feasibility analysis prepared under section 115A.24, the phase 1 environmental impact statement, and the reports on permit conditions issued under section 115A.26.* The hearing ~~shall must~~ be conducted for the board by the state office of administrative hearings in a manner consistent with the completion of the proceedings in the time allowed. The proceedings and the hearing procedures are not subject to the rule-making or contested case provisions of chapter 14. The hearing officer ~~shall may~~ not issue a report but shall preside at the hearings to ensure that the hearings are conducted in a fair, orderly, and expeditious manner and in accordance with the hearing procedures of the board. A majority of the permanent members of the board shall be present at the hearing.

Sec. 26. Minnesota Statutes 1983 Supplement, section 115A.28, subdivision 1, is amended to read:

Subdivision 1. [DECISION OF BOARD.] Within 60 days following the conclusion of the hearings under section 115A.27, subdivision 2, and after consulting with private facility developers, the permitting agencies, affected local government units, and the local project review committees, the board shall ~~finally select the a site or sites for the facilities and the developer and operator of the facility and shall prescribe further specifications on and specify~~ the number, type, capacity, function, and use of ~~the any facilities as the board deems appropriate, consistent with the board's certification of need issued under section 115A.24 to be established under sections 115A.18 to 115A.30~~. If the chairperson of the board determines that an agency report on permit conditions and application requirements has been substantially revised following hearings held pursuant to section 115A.27, subdivision 2, the chairperson may delay the decision for 30 days and may order a public hearing to receive further testimony on the sites and facilities to be established. The proceeding ~~shall must~~ be conducted as provided in section 115A.27, subdivision 2, except that hearings shall not be separately held in the affected counties and the issues relating to all agency reports ~~shall must~~ be considered at one hearing. ~~The board's decision shall provide for the establishment of facilities consistent with the board's certification of need.~~

Sec. 27. Minnesota Statutes 1983 Supplement, section 115A.291, is amended to read:

115A.291 [PERMITS.]

Research and analysis necessary to the permit applications and permit decisions required under this chapter, and the supporting environmental study, must commence immediately following the board's decision ~~under section 115A.28 to apply for permits under this section~~. Within 180 days following its ~~final decision~~ decisions under section 115A.28, the board shall ~~conclude its analysis of the financial requirements for the facility and shall decide~~

whether to submit, or cause to be submitted by a developer and operator selected by the board, a preliminary application for permits for a facility or facilities consistent with its decision under section 115A.28. Following review by the permitting agencies and within 60 days following the agency's determination of the adequacy of phase II of the environmental impact statement, the board shall revise the application, or cause it to be revised, in accordance with the recommendations of the permitting agencies. In preparing its revised permit application, the board may amend its certification of need issued under section 115A.24 or its facility specifications under section 115A.28, if the board finds and determines, based upon the recommendations of the permitting agencies, that: (a) the amendments are necessary to secure permits for the construction and operation of the proposed facility at the proposed site, and (b) the recommendations and amendments are the result of new information or rules produced after the board's decisions under sections 115A.24 and section 115A.28. Within 210 days following the submission of the revised permit application, the permitting agencies shall issue the necessary permits unless the pollution control agency determines that the facility or facilities proposed for permitting present environmental problems which cannot be addressed through the imposition of permit conditions. The permits may not allow the use of the facility for disposal of radioactive waste, as defined by section 116C.71, subdivision 6.

Sec. 28. Minnesota Statutes 1982, section 115A.42, is amended to read:

115A.42 [ESTABLISHMENT AND ADMINISTRATION.]

There is established a planning assistance program to provide technical and financial assistance to political subdivisions of the state for the purposes of encouraging and improving regional and local solid waste management and abatement planning activities and efforts and of furthering the state policies and purposes expressed in section 115A.02. The program shall be administered by the agency pursuant to rules promulgated under chapter 14, except in the metropolitan area where the program shall be administered by the metropolitan council pursuant to chapter 473. The agency and the metropolitan council shall ensure conformance with federal requirements and programs established pursuant to the Resource Conservation and Recovery Act of 1976 and amendments thereto.

Sec. 29. Minnesota Statutes 1982, section 115A.46, subdivision 1, is amended to read:

Subdivision 1. [GENERAL.] Plans shall address the state policies and purposes expressed in section 115A.02. Plans for the location, establishment, operation, maintenance, and post-closure use of facilities and facility sites, for ordinances, and for licensing, permit, and enforcement activities shall be consistent with the rules adopted by the agency pursuant to chapter 116. Plans shall address the resolution of conflicting, duplicative, or overlapping local management efforts. Plans shall address the establishment of joint powers management programs or waste management districts where appropriate. Plans proposing a designation of resource recovery facilities pursuant to sections 115A.70 and 400.162 shall be submitted to the waste management board for review and approval or disapproval. The review shall be based on whether the plans conform to the requirements of this section. The board may require revision of a plan as a condition of its approval. Plans shall

address other matters as the rules of the agency may require consistent with the purposes of sections 115A.42 to 115A.46. Political subdivisions preparing plans under sections 115A.42 to 115A.46 shall consult with persons presently providing solid waste collection, processing, and disposal services. ~~Plans prepared by local units of government in the metropolitan area shall conform to the requirements of chapter 473 shall be approved by the agency, or by the metropolitan council if prepared by a political subdivision within the metropolitan area.~~

Sec. 30. Minnesota Statutes 1982, section 115A.46, subdivision 2, is amended to read:

Subd. 2. [CONTENTS.] The plans shall describe existing collection, processing, and disposal systems, including schedules of rates and charges, financing methods, environmental acceptability, and opportunities for improvements in the systems. The plans shall include an estimate of the land disposal capacity in acre-feet which will be needed through the year 2000, on the basis of current and projected waste generation practices. ~~The plans shall contain an assessment of opportunities to reduce the need for land disposal through waste reduction and resource recovery, the alternative degrees of reduction achievable, and a comparison require the most feasible and prudent reduction of the need for and practice of land disposal of mixed municipal solid waste. The plans shall address waste reduction, waste separation, and resource recovery, and shall include immediate objectives for specified time periods for reducing the land disposal of mixed municipal solid waste. The plans shall describe specific functions to be performed and activities to be undertaken to achieve the abatement objectives and shall describe the estimated cost, the proposed manner of financing, and the timing of the functions and activities. The plans shall include an estimate of the costs of alternatives the functions to be performed and the activities to be undertaken, including capital and operating costs, and the effects of the alternatives on the cost to generators and on persons currently providing solid waste collection, processing, and disposal services. The plans may include alternatives that could be used to achieve the abatement objectives if the proposed functions are not performed and the proposed activities are not undertaken. The plans shall describe how waste will be reduced and how the public will be educated about waste abatement and resource recovery.~~ The plans shall, to the extent practicable and consistent with the achievement of other public policies and purposes, encourage ownership and operation of solid waste facilities by private industry. For solid waste facilities owned or operated by public agencies or supported primarily by public funds or obligations issued by a public agency, the plans shall include criteria and standards to protect comparable private and public facilities already existing in the area from displacement unless the displacement is required in order to achieve the waste management objectives identified in the plan. The plans shall establish a siting procedure and development program to assure the orderly location, development, and financing of new or expanded solid waste facilities and services sufficient for a prospective ten-year period, including estimated costs and implementation schedules, proposed procedures for operation and maintenance, estimated annual costs and gross revenues, and proposals for the use of facilities after they are no longer needed or usable. The plans shall describe existing and proposed county and municipal ordinances and license and permit requirements relating to solid waste management and shall describe existing and proposed regulation and enforcement procedures.

Sec. 31. Minnesota Statutes 1982, section 115A.57, subdivision 1, is

amended to read:

Subdivision 1. [CREATION; RECEIPTS.] The commissioner of finance shall maintain a Minnesota state waste management fund. The fund shall receive the proceeds of state bonds and other money appropriated to the fund and disburse money for the acquisition of real property and interests in real property for hazardous waste facility sites and surrounding buffer areas, as authorized by section 115A.06, subdivision 4, *and section 3*, and money to be granted or loaned to political subdivisions pursuant to the waste processing facility capital assistance program created by section 115A.54. The commissioner of finance and state treasurer shall deposit in the fund as received (a) all proceeds of Minnesota state waste management bonds, except accrued interest and premiums received upon the sale of the bonds; (b) all other money appropriated by law for purposes stated in sections 115A.57 to 115A.59, and (c) all money granted to the state for those purposes by the federal government or any agency thereof. All the receipts are annually appropriated for the purposes of the fund, and shall remain available until expended.

Sec. 32. Minnesota Statutes 1982, section 115A.59, is amended to read:

115A.59 [BOND AUTHORIZATION AND APPROPRIATION OF PROCEEDS.]

The commissioner of finance is authorized, upon request of the board, to sell Minnesota state waste management bonds in the amount of up to \$8,800,000 for the purpose of the waste processing facility capital assistance program under section 115A.54, and in the amount of up to \$6,200,000 for the purpose of acquiring real property and interests in real property for hazardous waste facility sites and buffer areas as authorized by section 115A.06, subdivision 4, *and section 3*. The bonds shall be sold in the manner and upon the conditions prescribed in section 115A.58, and in the Minnesota Constitution, Article XI, Sections 4 to 7. The proceeds of the bonds, except as provided in section 115A.58, subdivision 5, are appropriated to the Minnesota state waste management fund. The amount of bonds issued pursuant to this authorization shall not exceed at any time the amount needed to produce a balance in the waste management fund equal to the aggregate amount of the loans and grants then approved and not previously disbursed, plus the amount of the loans and grants to be approved in the current and the following fiscal year, as estimated by the board.

Sec. 33. Minnesota Statutes 1982, section 115A.70, is amended by adding a subdivision to read:

Subd. 8. [AUTHORITY.] A waste management district possessing designation authority in its articles of incorporation may be authorized to designate a resource recovery facility under sections 34 to 44.

Sec. 34. [115A.80] [DESIGNATION OF RESOURCE RECOVERY FACILITIES; PURPOSE.]

In order to further the state policies and purposes expressed in section 115A.02, and to advance the public purposes served by resource recovery, the legislature finds and declares that it may be necessary pursuant to sections 34 to 44 to authorize a qualifying solid waste management district or county to designate a resource recovery facility.

Sec. 35. [115A.81] [DEFINITIONS.]

Subdivision 1. [SCOPE.] The definitions in this section apply to sections 34 to 44.

Subd. 2. [DESIGNATION.] "Designation" means a requirement by a waste management district or county that all or a portion of the solid waste that is generated within its service area or boundaries and is deposited within the state be delivered to a resource recovery facility identified by the district or county.

Sec. 36. [115A.82] [ELIGIBILITY.]

Facilities may be designated under sections 34 to 44 by (1) a solid waste management district established under sections 115A.62 to 115A.72 and possessing designation authority in its articles of incorporation; or (2) a county, but only for waste generated outside of the boundaries of a district qualifying under clause (1) or the Western Lake Superior Sanitary District established by Laws 1971, chapter 478, as amended.

Sec. 37. [115A.83] [EXEMPTION.]

Subdivision 1. The designation may not apply to or include: (1) materials that are separated from solid waste and recovered for reuse in their original form or for use in manufacturing processes, or (2) materials that are being used at a resource recovery facility in existence at the time of designation.

Subd. 2. [EXCLUSION OF CERTAIN MATERIALS.] (a) For purposes of subdivision 1 a facility is in existence at the time of designation if:

(1) it is substantially completed or will be substantially completed within 18 months of the time that the designation plan is approved;

(2) it contracts for purchases of its product; and

(3) the materials are or will be under contract for delivery to it at the time the other facility is completed.

(b) In order to qualify for the exemption of materials under this subdivision, the operator or owner shall file with the reviewing authority and the district or county a written description of the facility, its intended location, its waste supply sources, purchasers of its products, its design capacity and other information that the reviewing authority and county may reasonably require.

Sec. 38. [115A.84] [DESIGNATION PLAN.]

Subdivision 1. [REQUIREMENT.] Before commencing the designation procedure under section 39, the district or county shall adopt a comprehensive solid waste management plan or, under chapter 473, a master plan. The comprehensive or master plan must include a plan for designation approved under this section.

Subd. 2. [DESIGNATION; PLAN CONTENTS.] The designation plan must evaluate (1) the benefits of the designation, including the public purposes achieved by the conservation and recovery of resources, the furtherance of local and any district or regional waste management plans and policies, and the furtherance of the state policies and purposes expressed in section 115A.02, and (2) the estimated costs of the designation, including the direct capital, operating, and maintenance costs of the facility designated.

the indirect costs, and the long-term effects of the designation.

The designation plan must evaluate:

(1) whether the designation will result in the recovery of resources or energy from materials which would otherwise be wasted;

(2) whether the designation will lessen the demand for and use of land disposal;

(3) whether the designation is necessary for the financial support of the facility; and

(4) whether less restrictive methods for ensuring an adequate solid waste supply are available;

(5) other feasible and prudent waste processing alternatives for accomplishing the purposes of the proposed designation, the direct and indirect costs of the alternatives, including capital and operating costs, and the effects of the alternatives on the cost to generators.

Subd. 3. [PLAN APPROVAL.] A district or county planning a designation for waste generated wholly within the metropolitan area defined in section 473.121 shall submit its designation plan to the metropolitan council for review and approval or disapproval. Other districts or counties shall submit designation plans to the waste management board for review and approval or disapproval. The reviewing authority shall review and approve or disapprove within 60 days following submission of the plan for review. The reviewing authority shall approve the designation plan if the plan satisfies the requirements of subdivision 2.

Sec. 39. [115A.85] [PROCEDURE.]

Subdivision 1. [REQUIREMENT.] A district or county with an approved designation plan shall proceed as provided in this section when designating facilities. A district need not repeat the designation procedures in this section to the extent that the procedures have been completed by each county having territory in the district or by a joint powers board composed of each county having territory in the district.

Subd. 2. [HEARING.] The district or county shall hold a public hearing to take testimony on the designation. Notice of the hearing must be published in a newspaper of general circulation in the area for two successive weeks ending at least 15 days before the date of the hearing and must be mailed to political subdivisions, landfill operators, and licensed solid waste collectors who may be expected to use the facility. The notification must: (1) describe the area where the designation will apply and the plans for the use of the solid waste, (2) specify the point of delivery of the solid waste, (3) estimate the types and quantities of solid waste subject to the designation, and (4) estimate the fee to be charged for the use of the facilities and for any products of the facilities. A contract for use or designation may not be invalidated because the district or county did not provide written notice to an entity listed in this subdivision.

Subd. 3. [NEGOTIATED CONTRACTS FOR USE.] Within 90 days following the hearing, the district or county shall negotiate with the persons entitled to written notice under subdivision 2 to develop contractual agree-

ments that will require use of the facilities proposed to be designated.

Subd. 4. [DESIGNATION DECISION.] *At the end of the 90-day contract negotiation period the district or county may proceed to secure approval for and implement the designation as provided in section 40.*

Sec. 40. [115A.86] [IMPLEMENTATION OF DESIGNATION.]

Subdivision 1. [DESIGNATION ORDINANCE.] *The district or county shall prepare a designation ordinance to implement a designation. The designation ordinance must: (1) define the geographic area and the types and quantities of solid waste subject to designation, (2) specify the points of delivery of the solid waste, (3) require that the designated solid waste be delivered to the specified points of delivery, (4) set out the procedures and principles to be followed by the county or district in establishing and amending any rates and charges at the designated facility, and (5) state any additional regulations governing waste collectors or other matters necessary to implement the designation. The designation ordinance must provide an exception for: materials otherwise subject to the designation that arrangements have been made sufficient to justify exemption under section 37, and waste otherwise subject to the designation that negotiated contractual arrangements exist that will require and effect the delivery of the waste to the facility for the term of the contract.*

Subd. 2. [APPROVAL.] *If district or county designation applies wholly within the metropolitan area defined in section 473.121 the district or county shall submit its designation ordinance, together with any negotiated contracts assuring the delivery of solid waste, to the metropolitan council for review and approval or disapproval. Other districts or counties shall submit designation ordinances, with negotiated contracts assuring the delivery of solid waste, to the waste management board for review and approval or disapproval. The reviewing authority shall complete its review and approve or disapprove within 90 days following submission of the designation for review. The reviewing authority shall approve the designation if it determines (1) that the designation procedure specified in section 39 was followed, (2) that the designation will further the state policies and purposes expressed in section 115A.02, and (3) that the designation is based upon a plan approved under section 39. The reviewing authority may attach conditions to its approval.*

Subd. 3. [IMPLEMENTATION.] *The designation may be placed into effect no less than 60 days following the approval required in subdivision 2. The effective date of the designation must be specified at least 60 days in advance.*

Subd. 4. [EFFECT.] *The designation is binding on all political subdivisions, landfill operators, solid waste generators, and solid waste collectors in the designation area.*

Subd. 5. [AMENDMENTS.] *Amendments to a designation ordinance must be submitted to the reviewing authority for approval. The reviewing authority shall approve an amendment that is in the public interest and accomplishes state policies and purposes expressed in section 115A.02. If the reviewing authority does not act within 90 days, the amendment is approved.*

Sec. 41. [115A.87] [JUDICIAL REVIEW.]

An action challenging a designation must be brought before the effective date of the designation and is subject to section 562.02.

Sec. 42. [115A.88] [SERVICE GUARANTEE.]

The district or county may not arbitrarily terminate, suspend, or curtail services provided to any person required by contract or designation ordinance to use designated facilities without the consent of the person or without just cause.

Sec. 43. [115A.89] [TERMINATION.]

Use required under contract or designation ordinance may be terminated by a person upon an adequate showing to the district or county that the solid waste has value and that arrangements have been made by the person sufficient to justify exemption under section 37, unless the district or county determines that the requirement must be continued to assure delivery of waste necessary to the financial support of the designated facility.

Sec. 44. [115A.90] [SUPERVISION OF IMPLEMENTATION.]

The reviewing authority shall: (1) require regular reports on the implementation of each designation, (2) periodically evaluate whether each designation as implemented has accomplished its purposes and whether the designation is in the public interest and in furtherance of the state policies and purposes expressed in section 115A.02, and (3) report periodically to the legislature on its conclusions and recommendations.

Sec. 45. [115A.901] [CITATION.]

Sections 45 to 51 may be cited as the "Metropolitan Landfill Abatement Act."

Sec. 46. [115A.903] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] The definitions in this section apply to sections 46 to 55.

Subd. 2. [CLOSURE.] "Closure" means actions that will prevent, mitigate, or minimize the threat to public health and the environment posed by a closed facility including application of final cover; grading and seeding of final cover; installation of an adequate monitoring system, if necessary; and construction of ground and surface water diversion structures.

Subd. 3. [COMMISSIONER.] "Commissioner" means the commissioner of revenue.

Subd. 4. [FACILITY.] "Facility" means real and personal property that is used for the disposal of solid waste on land.

Subd. 5. [MARKET DEVELOPMENT.] "Market development" means the location and facilitation of economic markets for materials, substances, energy, or other products contained within or derived from solid waste.

Subd. 6. [OPERATOR.] "Operator" means:

(1) in the case of a facility for the disposal of mixed municipal solid waste with an agency permit, the permittee; or

(2) in the case of a facility for the disposal of mixed municipal solid waste

without an agency permit, the person in control of the facility.

Subd. 7. [POSTCLOSURE, POSTCLOSURE CARE.] "Postclosure," and "postclosure care" means actions taken for the care, maintenance, and monitoring of a facility after closure that will prevent, mitigate, or minimize the threat to public health and environment posed by the closed facility.

Subd. 8. [RESPONSE.] "Response" has the meaning given it in section 115B.02, subdivision 18.

Sec. 47. [115A.905] [SOLID WASTE LANDFILL FEE.]

Subdivision 1. [AMOUNT.] (a) The operator of a facility that is located in the metropolitan area for the disposal of mixed municipal solid waste area shall pay a fee on solid waste accepted and disposed of on land at the facility as provided in this subdivision.

(b) An operator shall pay a fee of 90 cents per cubic yard of waste accepted or its equivalent.

(c) An operator who does not measure the weight or volume of waste accepted shall pay a fee based on equivalent cubic yards accepted at the facility as determined by the agency. An operator who challenges the determination of the agency shall provide written evidence to the agency to support the challenge. The agency may hold a consolidated contested case hearing on all challenges to its determinations under this subdivision. The decision of the agency shall be rendered not later than 60 days after the hearing.

Subd. 2. [PAYMENT OF FEE.] The operator shall pay the fee due under this section for each month by the 20th day of the following month, using a form provided by the commissioner.

Subd. 3. [EXCHANGE OF INFORMATION.] Notwithstanding the provisions of section 116.075, the pollution control agency may provide the commissioner with the information necessary for the enforcement of this section. Information disclosed in a return filed under this section is public information. Information exchanged between the commissioner and the agency is public unless the information is of the type determined to be for the confidential use of the agency under section 116.075 or is trade secret information classified under section 13.37. Information obtained in the course of an audit by the commissioner is private or nonpublic data to the extent that it would not be directly divulged in a return.

Subd. 4. [PENALTIES; ENFORCEMENT.] The audit, penalty, and enforcement provisions applicable to taxes imposed under chapter 290 apply to the fees charged under this section and shall be administered by the commissioner.

Subd. 5. [RULES.] The commissioner may adopt rules necessary to implement the provisions of this section.

Subd. 6. [ADMINISTRATIVE EXPENSES.] Any amount spent by the commissioner from a general fund appropriation to enforce and administer this section shall be reimbursed to the general fund. The amount necessary to make the reimbursement is appropriated from the landfill abatement fund to the commissioner for transfer to the general fund.

Subd. 7. [DEPOSIT OF FEES.] The fees collected under this section in-

cluding interest and penalties shall be deposited in the state treasury and credited as follows:

- (1) two-thirds shall be credited to the landfill abatement fund; and
- (2) one-third shall be credited to the landfill contingency action fund.

Sec. 48. [115A.907] [LANDFILL ABATEMENT FUND.]

Subdivision 1. [ESTABLISHMENT; PURPOSES.] *The landfill abatement fund is created as an account in the state treasury. Interest attributable to the investment of money in the fund shall be credited to the fund. Subject to appropriation by the legislature, the money in the fund may be spent only as allocated for the following purposes:*

(1) up to ten percent for adoption and enforcement of rules and technical assistance under sections 47 to 53 and administration of grants under this section;

(2) up to ten percent for grants for market development under subdivision 2;

(3) the amount not used for clauses (1) and (2), is available to the metropolitan council for solid waste planning assistance and resource recovery project grants and loans in the metropolitan area. Not more than ten percent of the amount paid to the metropolitan council may be used by the council to provide technical assistance and to administer the grants.

Subd. 2. [MARKET DEVELOPMENT.] *Grants may be made to any person for market development that will abate the need for landfill capacity within the metropolitan area.*

Subd. 3. [RESOURCE RECOVERY PROJECTS.] *Grants and loans may be made to any person for resource recovery projects. The grants and loans may include the cost of planning, acquisition of land and equipment, capital improvements, and operation of a project. Grants and loans under this subdivision for acquisition of land and equipment and for capital improvements may not exceed 50 percent of the cost of the project. Grants for operation of a project may not exceed 50 percent of the annual operating costs. Operation grants may not extend beyond four years and may only be given if the project plan includes reasonable provision for operation funding for the life of the project. A grant or loan shall not be made until the metropolitan council has determined the total estimated capital cost of the project and that financing of the project is available. Loan repayments shall be credited to the landfill abatement fund. The grant and loan program under this subdivision shall be administered by the metropolitan council.*

Subd. 4. [GRANTS TO A POLITICAL SUBDIVISION; PLAN.] *No grants to a political subdivision, except grants for solid waste planning assistance and market development, may be made under this section unless the political subdivision applying for the grant has completed an approved solid waste plan under section 115A.46. If the original plan was approved more than five years before, the metropolitan council may require the plan to be revised before a grant is made under this section.*

Subd. 5. [RECOMMENDATION BY LCWM.] *The legislative commission on waste management shall make recommendations to the senate finance committee and house appropriations committee regarding appropria-*

tions from the landfill abatement fund.

Sec. 49. [115A.909] [LANDFILL CONTINGENCY ACTION FUND.]

Subdivision 1. [ESTABLISHMENT.] The landfill contingency action fund is created as an account in the state treasury. Interest attributable to the investment of money in the fund shall be credited to the fund.

Subd. 2. [CLOSURE AND POSTCLOSURE, RESPONSE PAYMENTS.] All money in the fund is appropriated to the pollution control agency and may be spent only for:

(1) response and postclosure costs relating to a facility located in the metropolitan area for the disposal of mixed municipal solid waste for which the operator is not liable under section 51, subdivision 1; and

(2) costs of closure and postclosure care with respect to a facility located in the metropolitan area for the disposal of mixed municipal solid waste, if the agency determines that the operator or owner has failed to provide the required closure and postclosure care.

Sec. 50. [115A.911] [REPORT TO LEGISLATURE.]

Subdivision 1. [AGENCY.] By November 1 of each year starting in 1986, the director of the agency shall submit to the senate finance committee, the house appropriations committee, and the legislative commission on waste management a report detailing the activities for which money from the contingency action fund has been spent during the previous fiscal year.

Subd. 2. [METROPOLITAN COUNCIL.] By November 1 of each year starting in 1986, the metropolitan council shall submit to the senate finance committee, the house appropriations committee, and the legislative commission on waste management a report detailing the activities for which money from the landfill abatement fund has been spent during the previous fiscal year.

Sec. 51. [115A.913] [LIABILITY.]

Subdivision 1. [OPERATOR NOT LIABLE.] After a facility located in the metropolitan area for the disposal of mixed municipal solid waste is closed for 20 years in compliance with closure and postclosure rules of the agency adopted under section 52, the operator is not liable under any law for response and postclosure costs incurred by the agency.

Subd. 2. [RECOVERY OF EXPENSES.] Subdivision 1 does not affect the liability of any person, other than the operator, who may be liable for those costs. When the agency incurs response costs at a facility, the agency is subrogated to any right of action that the operator or owner of the facility may have against any other person for the recovery of the costs.

Subd. 3. [ACTION TO RECOVER COSTS.] The attorney general may bring an action to recover amounts spent by the agency for response, closure, or postclosure costs under section 49, subdivision 2, and section 51, subdivision 2, from persons who may be liable for them. Amounts recovered, including money paid under any agreement, stipulation, or settlement shall be credited to the landfill contingency action fund.

Sec. 52. [115A.915] [LANDFILL CLOSURE AND POSTCLOSURE;

FINANCIAL RESPONSIBILITY.]

Subdivision 1. [CLOSURE AND POSTCLOSURE RESPONSIBILITY AND LIABILITY.] An operator or owner of a facility is responsible for closure of the facility and postclosure care relating to the facility. If an owner or operator has failed to provide the required closure or postclosure care of the facility the agency may take the actions. The owner or operator is liable for the costs of the required closure and postclosure care taken by the agency.

Subd. 2. [CLOSURE AND POSTCLOSURE RULES.] The agency shall adopt rules for the closure of facilities and for the postclosure care of closed facilities that apply to all facilities except those closed before the rules become effective. Compliance with the rules is a condition of obtaining or retaining a permit to operate the facility. The rules shall provide standards and procedures for closing the facilities and for the care, maintenance, and monitoring of the facilities after closure that will prevent, mitigate, or minimize the threat to public health and the environment posed by the closed facilities.

Subd. 3. [FINANCIAL RESPONSIBILITY RULES.] The agency shall adopt rules requiring the operator or owner of a facility to submit to the agency proof of the operator's or owner's financial ability to provide reasonable and necessary response during the operating life of the facility and for 20 years after closure, and to provide for the closure of the facility and postclosure care required under agency rules. The operator or owner of a facility shall provide the proof of financial responsibility before receiving an original permit or a permit for expansion. Every operator or owner of a facility with a remaining capacity of more than five years or 500,000 cubic yards shall provide the agency with proof of financial responsibility within 180 days after the effective date of the rules. Compliance with the rules is a condition of obtaining or retaining a permit to operate the facility.

Subd. 4. [ENFORCEMENT; PENALTIES.] This shall be enforced as provided in section 115.071. Money recovered under this section and other solid waste enforcement actions of the agency shall be credited to the landfill contingency action fund.

Sec. 53. [115A.917] [CERTIFICATE OF NEED.]

No new capacity for disposal of mixed municipal solid waste may be permitted in counties outside the metropolitan area without a certificate of need issued by the agency indicating the agency's determination that the additional disposal capacity is needed in the county. A certificate of need may not be issued until the county has a plan approved under section 115A.46. If the original plan was approved more than five years before, the agency may require the plan to be revised before a certificate of need is issued under this section. The agency shall certify need only to the extent that there are no feasible and prudent alternatives to the additional disposal capacity, including waste reduction, source separation, and resource recovery, that would minimize adverse impact upon natural resources. Alternatives that are speculative or conjectural are not feasible and prudent. Economic considerations alone do not justify the certification of need or the rejection of alternatives.

Sec. 54. [115A.919] [COUNTY FEE AUTHORITY.]

A county may charge an additional fee to operators of facilities for mixed

municipal solid waste located within the county. The revenue from the fees shall be credited to the county general fund and shall be used only for landfill abatement purposes, or costs of closure, postclosure care, and response actions or for purposes of mitigating and compensating for the local risks, costs, and other adverse effects of facilities.

Sec. 55. [115A.921] [CITY OR TOWN FEE AUTHORITY.]

A city or town may charge a fee, not to exceed \$1 per ton, or its equivalent, of solid waste accepted and disposed of on land, to operators of facilities for mixed municipal solid waste located within the city or town. The revenue from the fees shall go to the city or town general fund for purposes of mitigating and compensating for the local risks, costs, and other adverse effects of facilities.

Sec. 56. Minnesota Statutes 1983 Supplement, section 115B.22, subdivision 1, is amended to read:

Subdivision 1. [TAXES IMPOSED; EXCLUSIONS.] Each generator of hazardous waste shall pay the taxes imposed by this section based upon the volume and destination of the hazardous wastes generated. The taxes imposed by this section do not apply to hazardous wastes destined for recycling or reuse including waste accumulated, stored, or physically, chemically, or biologically treated before recycling or reuse, to used crankcase oil, to hazardous waste which is generated as a result of any response action, or to hazardous waste which meets applicable pretreatment standards or compliance schedules and is discharged to a public sewage treatment works, or to hazardous waste that is generated as residue from a hazardous waste treatment facility that incinerates waste subject to taxation under subdivision 5.

Sec. 57. [116E.05] [PUBLIC EDUCATION.]

The Minnesota environmental education board shall develop and disseminate curriculum materials for youth and adult education on the subject of hazardous waste management.

Sec. 58. Minnesota Statutes 1982, section 116J.88, is amended by adding a subdivision to read:

Subd. 8a. [HAZARDOUS WASTE PROCESSING FACILITY LOAN.] "Hazardous waste processing facility loan" means a loan for the acquisition, construction, or improvement of real and personal property to be used for the collection or processing of hazardous waste as those terms are defined in section 115A.03, subdivisions 5, 13, and 25.

Sec. 59. Minnesota Statutes 1982, section 116J.90, is amended by adding a subdivision to read:

Subd. 4a. [HAZARDOUS WASTE PROCESSING FACILITY LOANS.] The authority may make, purchase, participate in making or purchasing hazardous waste processing facility loans in any amount, and may enter into commitments therefore. A private person proposing to develop and operate a hazardous waste processing facility is eligible to apply for a loan under this subdivision. Applications must be made to the authority. The authority shall forward the applications to the waste management board for review pursuant to section 13. If the waste management board does not certify the application, the authority may not approve the application nor make the loan. If the

waste management board certifies the application, the authority shall approve the application and make the loan if funds are available for it and if the authority finds that:

(a) development and operation of the facility as proposed by the applicant is economically feasible;

(b) there is a reasonable expectation that the principal and interest on the loan will be fully repaid; and

(c) the facility is unlikely to be developed and operated without a loan from the authority.

The authority and the waste management board shall establish coordinated procedures for loan application, certification, and approval.

The authority may use the economic development fund to provide financial assistance to any person whose hazardous waste processing facility loan application has been certified by the waste management board and approved by the authority, and for this purpose may exercise the powers granted in section 116J.89, subdivision 1a, with respect to any loans made or bonds issued under this subdivision regardless of whether the applicant is an eligible small business.

The authority may issue bonds and notes in the aggregate principal amount of \$10,000,000 for the purpose of making, purchasing, or participating in making or purchasing hazardous waste processing facility loans. This amount is in addition to any other authority to issue bonds and notes under chapter 116J.

Sec. 60. Minnesota Statutes 1982, section 116J.90, is amended by adding a subdivision to read:

Subd. 3a. [HAZARDOUS WASTE PROCESSING FACILITY LOANS.] The authority may make or purchase or participate in making or purchasing hazardous waste processing facility loans in any amount, under this subdivision or subdivision 4, subject to approval of loan proposals by the waste management board pursuant to section 13. The authority may adopt temporary rules under sections 14.29 to 14.36 to implement the loan program under this subdivision. Any temporary rules adopted by the authority shall remain in effect for 360 days or until permanent rules are adopted, whichever occurs first.

Sec. 61. Minnesota Statutes 1983 Supplement, section 116J.90, subdivision 4, is amended to read:

Subd. 4. [POLLUTION CONTROL AND HAZARDOUS WASTE PROCESSING FACILITY LOANS.] The authority may make or purchase or participate in making or purchasing pollution control loans and hazardous waste processing facility loans in any amount, which may be secured in whole or part by the guarantee or insurance of the federal government or any federal department, agency, or instrumentality, by a private insurer, from guarantees or insurance provided by the economic development fund or any special account of it, by reserves, moneys, funds, or other collateral required by the authority or any combination of the foregoing. To the extent consistent with this subdivision, the authority may make or purchase or participate in the making or purchasing of pollution control loans and hazardous waste

processing facility loans in the manner provided in subdivision 2 or 3 with respect to business loans.

Sec. 62. Minnesota Statutes 1982, section 116J.91, is amended by adding a subdivision to read:

Subd. 11a. In addition to any amounts authorized under subdivision 11, the authority may issue bonds and notes in the aggregate principal amount of \$10,000,000 for the purposes of making, purchasing, or participating in making or purchasing hazardous waste processing facility loans.

Sec. 63. Minnesota Statutes 1982, section 290.06, is amended by adding a subdivision to read:

Subd. 15. [RESOURCE RECOVERY EQUIPMENT.] A credit of ten percent of the net cost of real and tangible personal property used for processing solid or hazardous waste at a resource recovery facility, as defined in section 115A.03, subdivision 28, may be deducted from the tax due under this chapter in the taxable year in which the property is purchased.

If the amount of the credit provided by this subdivision exceeds the taxpayer's liability under this chapter for the taxable year, the excess may be carried forward to the four taxable years following the year of purchase.

Sec. 64. Minnesota Statutes 1983 Supplement, section 297A.25, subdivision 1, is amended to read:

Subdivision 1. The following are specifically exempted from the taxes imposed by sections 297A.01 to 297A.44:

(a) The gross receipts from the sale of food products including but not limited to cereal and cereal products, butter, cheese, milk and milk products, oleomargarine, meat and meat products, fish and fish products, eggs and egg products, vegetables and vegetable products, fruit and fruit products, spices and salt, sugar and sugar products, coffee and coffee substitutes, tea, cocoa and cocoa products, and food products which are not taxable pursuant to section 297A.01, subdivision 3, clause (c) and which are sold by a retailer, organized as a nonprofit corporation or association, within a place located on property owned by the state or an agency or instrumentality of the state, the entrance to which is subject to an admission charge. This exemption does not include the following:

(i) candy and candy products;

(ii) carbonated beverages, beverages commonly referred to as soft drinks containing less than 15 percent fruit juice, or bottled water other than non-carbonated and noneffervescent bottled water sold in individual containers of one-half gallon or more in size;

(b) The gross receipts from the sale of prescribed drugs and medicine intended for use, internal or external, in the cure, mitigation, treatment or prevention of illness or disease in human beings and products consumed by humans for the preservation of health, including prescription glasses, therapeutic and prosthetic devices, but not including cosmetics or toilet articles notwithstanding the presence of medicinal ingredients therein;

(c) The gross receipts from the sale of and the storage, use or other consumption in Minnesota of tangible personal property, tickets, or admissions,

electricity, gas, or local exchange telephone service, which under the Constitution or laws of the United States or under the Constitution of Minnesota, the state of Minnesota is prohibited from taxing;

(d) The gross receipts from the sale of tangible personal property (i) which, without intermediate use, is shipped or transported outside Minnesota by the purchaser and thereafter used in a trade or business or is stored, processed, fabricated or manufactured into, attached to or incorporated into other tangible personal property transported or shipped outside Minnesota and thereafter used in a trade or business outside Minnesota, and which is not thereafter returned to a point within Minnesota, except in the course of interstate commerce (storage shall not constitute intermediate use); provided that the property is not subject to tax in that state or country to which it is transported for storage or use, or, if subject to tax in that other state, that state allows a similar exemption for property purchased therein and transported to Minnesota for use in this state; except that sales of tangible personal property that is shipped or transported for use outside Minnesota shall be taxed at the rate of the use tax imposed by the state to which the property is shipped or transported, unless that state has no use tax, in which case the sale shall be taxed at the rate generally imposed by this state; and provided further that sales of tangible personal property to be used in other states or countries as part of a maintenance contract shall be specifically exempt; or (ii) which the seller delivers to a common carrier for delivery outside Minnesota, places in the United States mail or parcel post directed to the purchaser outside Minnesota, or delivers to the purchaser outside Minnesota by means of the seller's own delivery vehicles, and which is not thereafter returned to a point within Minnesota, except in the course of interstate commerce;

(e) The gross receipts from the sale of packing materials used to pack and ship household goods, the ultimate destination of which is outside the state of Minnesota and which are not thereafter returned to a point within Minnesota, except in the course of interstate commerce;

(f) The gross receipts from the sale of and storage, use or consumption of petroleum products upon which a tax has been imposed under the provisions of chapter 296, whether or not any part of said tax may be subsequently refunded;

(g) The gross receipts from the sale of clothing and wearing apparel except the following:

(i) all articles commonly or commercially known as jewelry, whether real or imitation; pearls, precious and semi-precious stones, and imitations thereof; articles made of, or ornamented, mounted or fitted with precious metals or imitations thereof; watches; clocks; cases and movements for watches and clocks; gold, gold-plated, silver, or sterling flatware or hollow ware and silver-plated hollow ware; opera glasses; lorgnettes; marine glasses; field glasses and binoculars.

(ii) articles made of fur on the hide or pelt, and articles of which such fur is the component material or chief value, but only if such value is more than three times the value of the next most valuable component material.

(iii) perfume, essences, extracts, toilet waters, cosmetics, petroleum jellies, hair oils, pomades, hair dressings, hair restoratives, hair dyes, aromatic

cachous and toilet powders. The tax imposed by this act shall not apply to lotion, oil, powder, or other article intended to be used or applied only in the case of babies.

(iv) trunks, valises, traveling bags, suitcases, satchels, overnight bags, hat boxes for use by travelers, beach bags, bathing suit bags, brief cases made of leather or imitation leather, salesmen's sample and display cases, purses, handbags, pocketbooks, wallets, billfolds, card, pass, and key cases and toilet cases.

(h) The gross receipts from the sale of and the storage, use, or consumption of all materials, including chemicals, fuels, petroleum products, lubricants, packaging materials, including returnable containers used in packaging food and beverage products, feeds, seeds, fertilizers, electricity, gas and steam, used or consumed in agricultural or industrial production of personal property intended to be sold ultimately at retail, whether or not the item so used becomes an ingredient or constituent part of the property produced. Such production shall include, but is not limited to, research, development, design or production of any tangible personal property, manufacturing, processing (other than by restaurants and consumers) of agricultural products whether vegetable or animal, commercial fishing, refining, smelting, reducing, brewing, distilling, printing, mining, quarrying, lumbering, generating electricity and the production of road building materials. Such production shall not include painting, cleaning, repairing or similar processing of property except as part of the original manufacturing process. Machinery, equipment, implements, tools, accessories, appliances, contrivances, furniture and fixtures, used in such production and fuel, electricity, gas or steam used for space heating or lighting, are not included within this exemption; however, accessory tools, equipment and other short lived items, which are separate detachable units used in producing a direct effect upon the product, where such items have an ordinary useful life of less than 12 months, are included within the exemption provided herein;

(i) The gross receipts from the sale of and storage, use or other consumption in Minnesota of tangible personal property (except as provided in section 297A.14) which is used or consumed in producing any publication regularly issued at average intervals not exceeding three months, and any such publication. For purposes of this subsection, "publication" as used herein shall include, without limiting the foregoing, a legal newspaper as defined by Minnesota Statutes 1965, section 331.02, and any supplements or enclosures with or part of said newspaper; and the gross receipts of any advertising contained therein or therewith shall be exempt. For this purpose, advertising in any such publication shall be deemed to be a service and not tangible personal property, and persons or their agents who publish or sell such newspapers shall be deemed to be engaging in a service with respect to gross receipts realized from such newsgathering or publishing activities by them, including the sale of advertising. The term "publication" shall not include magazines and periodicals sold over the counter. Machinery, equipment, implements, tools, accessories, appliances, contrivances, furniture and fixtures used in such publication and fuel, electricity, gas or steam used for space heating or lighting, are not exempt;

(j) The gross receipts from all sales, including sales in which title is retained by a seller or a vendor or is assigned to a third party under an install-

ment sale or lease purchase agreement under section 465.71, of tangible personal property to, and all storage, use or consumption of such property by, the United States and its agencies and instrumentalities or a state and its agencies, instrumentalities and political subdivisions. Sales exempted by this clause include sales pursuant to section 297A.01, subdivision 3, clauses (d) and (f). This exemption shall not apply to building, construction or reconstruction materials purchased by a contractor or a subcontractor as a part of a lump-sum contract or similar type of contract with a guaranteed maximum price covering both labor and materials for use in the construction, alteration or repair of a building or facility. This exemption does not apply to construction materials purchased by tax exempt entities or their contractors to be used in constructing buildings or facilities which will not be used principally by the tax exempt entities;

(k) The gross receipts from the isolated or occasional sale of tangible personal property in Minnesota not made in the normal course of business of selling that kind of property, and the storage, use, or consumption of property acquired as a result of such a sale. For purposes of this clause, sales by a nonprofit organization shall be deemed to be "isolated or occasional" if they occur at sale events that have a duration of three or fewer consecutive days. The granting of the privilege of admission to places of amusement and the privilege of use of amusement devices by a nonprofit organization at an isolated or occasional event conducted on property owned or leased for a continuous period of more than 30 days by the nonprofit organization are also exempt. The exemption provided for isolated sales of tangible personal property and of the granting of admissions or the privilege of use of amusement devices by nonprofit organizations pursuant to this clause shall be available only if the sum of the days on which the organization and any subsidiary nonprofit organization sponsored by it that does not have a separate sales tax exemption permit conduct sales of tangible personal property, plus the days with respect to which the organization charges for the use of amusement devices or admission to places of amusement, does not exceed eight days in a calendar year. For purposes of this clause, a "nonprofit organization" means any corporation, society, association, foundation, or institution organized and operated exclusively for charitable, religious, or educational purposes, no part of the net earnings of which inures to the benefit of a private individual;

(l) The gross receipts from sales of rolling stock and the storage, use or other consumption of such property by railroads, freight line companies, sleeping car companies and express companies taxed on the gross earnings basis in lieu of ad valorem taxes. For purposes of this clause "rolling stock" is defined as the portable or moving apparatus and machinery of any such company which moves on the road, and includes, but is not limited to, engines, cars, tenders, coaches, sleeping cars and parts necessary for the repair and maintenance of such rolling stock.

(m) The gross receipts from sales of airlift equipment and the storage, use or other consumption of such property by airline companies taxed under the provisions of sections 270.071 to 270.079. For purposes of this clause, "airlift equipment" includes airplanes and parts necessary for the repair and maintenance of such airlift equipment, and flight simulators.

(n) The gross receipts from the sale of telephone central office telephone

equipment used in furnishing intrastate and interstate telephone service to the public.

(o) The gross receipts from the sale of and the storage, use or other consumption by persons taxed under the in lieu provisions of chapter 298, of mill liners, grinding rods and grinding balls which are substantially consumed in the production of taconite, the material of which primarily is added to and becomes a part of the material being processed.

(p) The gross receipts from the sale of tangible personal property to, and the storage, use or other consumption of such property by, any corporation, society, association, foundation, or institution organized and operated exclusively for charitable, religious or educational purposes if the property purchased is to be used in the performance of charitable, religious or educational functions, or any senior citizen group or association of groups that in general limits membership to persons age 55 or older and is organized and operated exclusively for pleasure, recreation and other nonprofit purposes, no part of the net earnings of which inures to the benefit of any private shareholders. Sales exempted by this clause include sales pursuant to section 297A.01, subdivision 3, clauses (d) and (f). This exemption shall not apply to building, construction or reconstruction materials purchased by a contractor or a subcontractor as a part of a lump-sum contract or similar type of contract with a guaranteed maximum price covering both labor and materials for use in the construction, alteration or repair of a building or facility. This exemption does not apply to construction materials purchased by tax exempt entities or their contractors to be used in constructing buildings or facilities which will not be used principally by the tax exempt entities;

(q) The gross receipts from the sale of caskets and burial vaults;

(r) The gross receipts from the sale of an automobile or other conveyance if the purchaser is assisted by a grant from the United States in accordance with 38 United States Code, section 1901, as amended.

(s) The gross receipts from the sale to the licensed aircraft dealer of an aircraft for which a commercial use permit has been issued pursuant to section 360.654, if the aircraft is resold while the permit is in effect.

(t) The gross receipts from the sale of building materials to be used in the construction or remodeling of a residence when the construction or remodeling is financed in whole or in part by the United States in accordance with 38 United States Code, sections 801 to 805, as amended. This exemption shall not be effective at time of sale of the materials to contractors, subcontractors, builders or owners, but shall be applicable only upon a claim for refund to the commissioner of revenue filed by recipients of the benefits provided in title 38 United States Code, chapter 21, as amended. The commissioner shall provide by regulation for the refund of taxes paid on sales exempt in accordance with this paragraph.

(u) The gross receipts from the sale of textbooks which are prescribed for use in conjunction with a course of study in a public or private school, college, university and business or trade school to students who are regularly enrolled at such institutions. For purposes of this clause a "public school" is defined as one that furnishes course of study, enrollment and staff that meets standards of the state board of education and a private school is one which

under the standards of the state board of education, provides an education substantially equivalent to that furnished at a public school. Business and trade schools shall mean such schools licensed pursuant to section 141.25.

(v) The gross receipts from the sale of and the storage of material designed to advertise and promote the sale of merchandise or services, which material is purchased and stored for the purpose of subsequently shipping or otherwise transferring outside the state by the purchaser for use thereafter solely outside the state of Minnesota.

(w) The gross receipt from the sale of residential heating fuels in the following manner:

(i) all fuel oil, coal, wood, steam, propane gas, and L.P. gas sold to residential customers for residential use;

(ii) natural gas sold for residential use to customers who are metered and billed as residential users and who use natural gas for their primary source of residential heat, for the billing months of November, December, January, February, March and April;

(iii) electricity sold for residential use to customers who are metered and billed as residential users and who use electricity for their primary source of residential heat, for the billing months of November, December, January, February, March and April.

(x) The gross receipts from the sale or use of tickets or admissions to the premises of or events sponsored by an association, corporation or other group of persons which provides an opportunity for citizens of the state to participate in the creation, performance or appreciation of the arts and which qualifies as a tax-exempt organization within the meaning of Minnesota Statutes 1980, section 290.05, subdivision 1, clause (i).

(y) The gross receipts from either the sales to or the storage, use or consumption of tangible personal property by an organization of military service veterans or an auxiliary unit of an organization of military service veterans, provided that:

(i) the organization or auxiliary unit is organized within the state of Minnesota and is exempt from federal taxation pursuant to section 501(c), clause (19), of the Internal Revenue Code as amended through December 31, 1982; and

(ii) the tangible personal property which is sold to or stored, used or consumed by the organization or auxiliary unit is for charitable, civic, educational, or nonprofit uses and not for social, recreational, pleasure or profit uses.

(z) The gross receipts from the sale of sanitary napkins, tampons, or similar items used for feminine hygiene.

(aa) The gross receipts from the sale of tangible personal property used for processing solid or hazardous waste at a resource recovery facility, as defined in section 115A.03, subdivision 28.

Sec. 65. Minnesota Statutes 1982, section 400.04, is amended by adding a subdivision to read:

Subd. 2a. [RIGHT OF ENTRY.] A county or authorized agent of the

county may enter during normal business hours on public or private property to obtain information or conduct surveys or investigations to accomplish the purposes under chapter 400 if reasonable notice is given and compensation is made for any damage to the property caused by the entrance and activity.

Sec. 66. Minnesota Statutes 1982, section 400.04, subdivision 3, is amended to read:

Subd. 3. [ACQUISITION, CONSTRUCTION AND OPERATION OF PROPERTY AND FACILITIES.] A county may acquire, construct, enlarge, improve, repair, supervise, control, maintain, and operate any and all solid waste facilities and other property and facilities needed, used, or useful for solid waste management purposes, ~~and. Notwithstanding any other law to the contrary, a county may purchase and lease materials, equipment, machinery and such other personal property as is necessary for such purposes upon terms and conditions determined by the board, with or without advertisement for bids including the use of conditional sales contracts and lease-purchase agreements. If a county contract is let by negotiation, without advertising for bids, the county shall conduct such negotiation and award the contract using a fair and open procedure and in full compliance with section 471.705. If a county contract is to be awarded by bid, the county may, after notice to the public and prospective bidders, conduct a fair and open process of prequalification of bidders prior to advertisement for bids.~~ A county may employ such personnel as are reasonably necessary for the care, maintenance and operation of such property and facilities. A county shall contract with private persons for the construction, maintenance, and operation of solid waste facilities where the facilities are adequate and available for use and competitive with other means of providing the same service.

Sec. 67. Minnesota Statutes 1982, section 400.162, is amended to read:

400.162 [COUNTY DESIGNATION OF RESOURCE RECOVERY FACILITY.]

The authority granted to counties by this section shall not apply within the Western Lake Superior Sanitary District established by Laws 1971, Chapter 478, as amended, nor within any solid waste management district established under sections 115A.62 to 115A.72. In order to accomplish the objectives of county waste management, to further the state policies and purposes expressed in section 115A.02, and to advance the public purposes served by resource recovery, the legislature finds and declares that it may be necessary to authorize a county to require that all or any portion of the solid waste that is generated within the boundaries of the county or any service area thereof and is disposed of in the state be delivered to a resource recovery facility designated by the county board or a transfer station serving such a facility. Any county designation shall be based upon a plan prepared and approved in conformance with section 115A.46 and shall be submitted pursuant to section 115A.071 for review and approval or disapproval by the waste management board. In establishing, continuing, and terminating the designation, the county shall be governed by all standards, exemptions, procedures, and other requirements provided in section 115A.70, subdivisions 2 to 6. A qualifying county may be authorized to designate a resource recovery facility pursuant to sections 34 to 44.

Sec. 68. Minnesota Statutes 1982, section 473.181, subdivision 4, is

amended to read:

Subd. 4. [SOLID WASTE.] The council shall review ~~county solid waste reports, and solid waste facility permit applications pursuant to sections 473.803 and 473.823~~ *management activities of local government units as provided in sections 473.801 to 473.834 and 34 to 44.*

Sec. 69. Minnesota Statutes 1982, section 473.811, subdivision 10, is amended to read:

Subd. 10. [COUNTY DESIGNATION OF RESOURCE RECOVERY FACILITIES.] The authority granted to metropolitan counties by this subdivision shall not apply within any solid waste management district established under sections 115A.62 to 115A.72. In order to accomplish the objectives of county waste management, to further the state policies and purposes expressed in section 115A.02, and to advance the public purposes served by resource recovery, the legislature finds and declares that it may be necessary to authorize a county to require that all or any portion of the solid waste that is generated within the boundaries of the county or any service area thereof and is disposed of in the state be delivered to a resource recovery facility designated by the county board or a transfer station serving such a facility. Any county designation shall be based upon an approved master plan and shall be submitted pursuant to section 473.827, subdivision 1, for review and approval or disapproval by the metropolitan council. In establishing, continuing, and terminating the designation, the county shall be governed by all standards, exemptions, procedures, and other requirements provided in section 115A.70, subdivisions 2 to 6. *A qualifying county may be authorized to designate a resource recovery facility under sections 34 to 44.*

Sec. 70. Minnesota Statutes 1983 Supplement, section 473.823, subdivision 6, is amended to read:

Subd. 6. [COUNCIL; CERTIFICATION OF NEED.] No new mixed municipal solid waste disposal facility or capacity shall be permitted in the metropolitan area without a certificate of need issued by the council indicating the council's determination that the additional disposal capacity planned for the facility is needed in the metropolitan area. The council shall amend its policy plan, adopted pursuant to section 473.149, to include standards and procedures for certifying need. The standards and procedures shall be based on the council's disposal abatement plan adopted pursuant to section 473.149, subdivision 2d, *the council's solid waste disposal facilities development schedule adopted under section 473.149, subdivision 2e, and the abatement* master plans of counties adopted pursuant to section 473.803, subdivision 1b *and approved by the council under section 473.803, subdivision 2.* The council shall certify need only to the extent that there are no feasible and prudent alternatives to the disposal facility, including waste reduction, source separation and resource recovery which would minimize adverse impact upon natural resources. Alternatives that are speculative or conjectural shall not be deemed to be feasible and prudent. Economic considerations alone shall not justify the certification of need or the rejection of alternatives. In its certification the council shall not consider alternatives which have been eliminated from consideration by the adoption of the inventory pursuant to section 473.149, subdivision 2b, or the selection of sites under section 473.833, subdivision 3.

Sec. 71. Minnesota Statutes 1983 Supplement, section 473.831, is amended to read:

473.831 [DEBT OBLIGATIONS; SOLID WASTE DISPOSAL.]

Subdivision 1. [GENERAL OBLIGATION BONDS.] The council may by resolution authorize the issuance of general obligation bonds of the council to provide funds for the environmental analysis and acquisition of permanent or temporary right, title, or interest in real property, including easements and development rights, for sites and surrounding buffer areas for solid waste disposal facilities pursuant to this section and ~~section~~ sections 473.833 and 473.840 and to provide funds for refunding obligations issued under this section. The bonds shall be sold, issued, and secured in the manner provided in chapter 475 for general obligation bonds, and the council shall have the same power and duties as a municipality and its governing body in issuing bonds under chapter 475, except as otherwise provided in this chapter. No election shall be required, and the net debt limitations in chapter 475 shall not apply. The council shall have the power levy ad valorem taxes for debt service of the council's solid waste bonds upon all taxable property within the metropolitan area, without limitation of rate or amount and without affecting the amount or rate of taxes which may be levied by the council for other purposes or by any local government unit in the area. Each of the county auditors shall annually assess and extend upon the tax rolls in his county the portion of the taxes levied by the council in each year which is certified to him by the council. The principal amount of bonds issued pursuant to this section shall not exceed \$15,000,000.

Subd. 2. [USE OF PROCEEDS.] The proceeds of bonds issued under subdivision 1 shall be used by the council, for the purposes provided in subdivision 1 and to make grants to metropolitan counties to pay the cost of the environmental review of sites, the acquisition of development rights for all or part of the period that the development limitation imposed by section 473.806 is in effect, and the acquisition of all property or interests in property for solid waste disposal sites and surrounding buffer areas required to be acquired by the county, pursuant to ~~section~~ sections 473.833 and 473.840, by the council's policy plan and development schedule adopted pursuant to section 473.149, subdivision 2e. If the council is required by law or regulation to prepare environmental analyses on one or more solid waste disposal sites and surrounding buffer areas, the council may use the proceeds of the bonds issued under subdivision 1 to contract for consultant services in the preparation of such analyses only upon a finding that equivalent expertise is not available among its own staff.

Sec. 72. Minnesota Statutes 1982, section 473.833, subdivision 4, is amended to read:

Subd. 4. [ACQUISITION AND DISPOSITION.] In order to prevent the development of conflicting land uses at and around future solid waste disposal facility sites, ~~the council shall provide for the acquisition by a each metropolitan county of~~ *shall acquire* property and rights in property at and around each solid waste disposal site selected *within the county* pursuant to subdivision 3. Each site scheduled for development as a facility through the year 1990 shall be acquired in fee. Development rights shall be acquired for each site scheduled for development as a facility after the year 1990 through

the year 2000. Development rights shall be acquired in a buffer area surrounding and at least equal to the area of each site scheduled for development as a facility through the year 2000. The owner of any property for which development rights are to be or have been acquired pursuant to this subdivision may elect by written notice at any time up to 90 days following the issuance of a permit by the agency for a facility to have the county acquire fee title to the property. Fee title shall be acquired by counties for buffer areas only at the election of the owner of the fee.

Sec. 73. [473.840] [PURCHASE OF CERTAIN PROPERTY.]

Subdivision 1. [PUBLIC PURPOSE.] In order for the responsible public agency to select and acquire environmentally suitable sites and buffer areas for the safe disposal of waste, the legislature finds that it is necessary and proper for the responsible agency to evaluate more than one site for disposal facilities and that it is appropriate to purchase property, within the sites and buffer areas selected for evaluation, to avoid or mitigate any undue hardship that may be imposed on property owners as a result of the selection of sites for evaluation.

Subd. 2. [DEFINITIONS.] (a) "Qualifying property" is a parcel of real property any part of which is located within the site or buffer area of a candidate site selected under section 473.153, subdivision 2, for purposes of environmental review under subdivision 5 of that section, or a site included in the metropolitan inventory adopted under section 473.149, subdivision 2b, for the purposes of environmental review under section 473.833, subdivision 2a.

(b) An "eligible owner" is a person who: (1) owns the entire parcel of qualifying property; (2) owned the entire parcel of property at the time the site was selected as a candidate site or included in the metropolitan inventory; (3) since the site was selected or included in the inventory, has for at least six months offered to sell the entire parcel on the open market through a licensed real estate agent; and (4) has not previously entered a contract under subdivision 4 for the sale of any or all of the parcel.

Subd. 3. [CONTRACT REQUEST.] An eligible owner of property qualifying under section 473.153 may request in writing that the waste control commission and the metropolitan council enter a contract for the purchase of the property as provided in subdivision 4. An eligible owner of property qualifying under sections 473.149 and 473.833 may request in writing that the county in which the property is located and the metropolitan council enter a contract for the purchase of property as provided in subdivision 4. A contract may not be executed under subdivision 4 after the determination of adequacy of the environmental impact statement. Environmental review commences on the day of publication of the environmental impact statement preparation notice.

Subd. 4. [CONTRACT; TERMS AND REQUIREMENTS.] The council and the county or commission shall enter a contract as provided in this subdivision with an eligible owner of qualifying property who requests the council and the county or commission to enter the contract as provided in subdivision 3. The council and the county or commission have 90 days to act on a request submitted under subdivision 3. The contract must include at least the following terms:

(a) *The owner must offer to sell the entire parcel of property on the open market through a licensed real estate agent approved by the council for at least a six month period beginning within one month after the appraised market value of the property is determined as provided in paragraph (2). The offer to sell must be made at no more than the appraised market value.*

(b) *The appraised market value of the property must be determined by an appraiser selected by the council. If the owner disagrees with the appraisal the owner shall select an appraiser to make a second appraisal. If a second appraisal is made, the council and the owner may agree on an appraised market value equal to either the first or second appraisal or any amount between those appraisals. If the council and owner do not agree on an appraised market value the two appraisers shall select a third appraiser, and the appraised market value must be determined by a majority of the three appraisers. Appraisers must be selected from the approved list of real property appraisers of the state commissioner of administration. Appraisers shall take an oath that they have no interest in any of the property to be appraised or in the purchase thereof. Each party shall pay the cost of the appraiser selected by that party and shall share equally in the cost of a third appraiser selected under this paragraph. The appraised market value of the property may not be increased or decreased by reason of its selection as a candidate or inventoried site or buffer area.*

(c) *The county or commission must purchase the entire parcel of property at the appraised market value determined under paragraph (b) if: (1) the council determines, based upon affidavits provided by the owner and the real estate agent and other evidence the council may require, that the owner has made a good faith effort to sell the property as provided in paragraph (a) and has been unable to sell the property at the appraised market value; (2) the council determines that the owner will be subject to undue hardship as a result of failure to sell; (3) the county or commission determines that the owner has marketable title to the property and that the owner has cured any defects in the title within a reasonable time as specified in the contract; and (4) the owner conveys the property by warranty deed in a form acceptable to the county or commission.*

(d) *The owner may not assign or transfer any rights under the contract to another person.*

(e) *The contract expires and the obligations of the parties under the contract cease when the property is sold or is either selected or eliminated from consideration by a final decision of the council under section 473.153, subdivision 6, or by a final decision of the county site selection authority or council under section 473.833, subdivision 3.*

(f) *The council and the commission or county may require other terms of contract that are consistent with the purposes of this section and necessary to protect the interests of the parties.*

Subd. 5. [COMPENSATION OF AGENT; LIMITATION.] A real estate agent may not receive a commission or any other compensation from an owner of property which is subject to a contract under subdivision 4 if the property is purchased by the public agency under that contract. Any term of a contract between a real estate agent and a property owner contrary to the provisions of this subdivision is void and unenforceable.

Subd. 6. [ADMINISTRATION.] The council, the county, and the commission are authorized to perform all acts required to enter and enforce contracts to purchase real property as provided in this section, including selecting and compensating appraisers and real estate agents.

Subd. 7. [DISPOSITION OF PROPERTY.] (a) Property acquired by the county or commission under this section must be retained in ownership until the selection of sites is completed under section 473.153 or 473.833, whereupon the county or commission shall sell all property located in the area of any site eliminated from further consideration and all property in the area of the selected sites that is not needed for the site or buffer area. The commission or county, with the approval of the council, may temporarily delay sale to protect the interests of the public agencies involved. The sale must be approved by the council, and the proceeds of the sale must be returned to the council and used to pay principal and interest on debt issued for acquisition.

(b) The county or commission may lease or rent any property acquired under this section for any use which is consistent with the development limitations until it is sold or is needed for use as a facility site or buffer area. Lease and rental agreements must be approved by the council, and proceeds of any lease or rental must be returned to the council and used to pay principal and interest on debt issued for acquisition. The county or commission may insure against loss to the property by fire, lightning, windstorm, tornado, flood, or hail, in the amount determined by the county or commission, using any insurance company licensed to do business in the state.

Sec. 74. [DEVELOPMENT OF COLLECTION AND TRANSPORTATION SERVICES.]

(a) The board through its chairperson shall request, under section 11, proposals for the development and operation of a system of commercial collection and transportation services especially designed to serve small businesses that have difficulty securing effective and reliable collection and shipment services and acceptance of wastes at appropriate waste facilities. The board's request under this section should require proposals containing at least the following elements:

(1) a collection service;

(2) assistance to clients about on-site waste management;

(3) a shipping coordination service, which may include transfer and temporary storage and bulking facilities and computerized inventory tracking capabilities, as the proposer deems appropriate and necessary to provide efficient and reliable combined shipment of wastes from generators to processing and disposal facilities;

(4) a brokerage service to ensure acceptance of wastes at appropriate processing and disposal facilities;

(5) recommendations on the utility of local or regional associations of generators to increase the efficiency and reliability of the services;

(6) recommendations on processing facilities, including mobile modular processing units, that would complement the collection and transportation system.

(b) The board's request must require proposals that offer the delivery of services in stages commencing no later than July 1, 1985. The board should specify or require specification of immediate and staged performance standards for the services proposed, that may include standards relating to the volume and types of waste, the number and geographic distribution of generators served, accessibility, the percent of total waste and generators served, and other appropriate matters. After evaluating proposals received under its request, the board may select a proposer as the recipient of a development grant under section 10. Notwithstanding the provisions of section 10, subdivisions 4 and 5, on the amount of the grant and the required match, the grant made under this section may be up to \$350,000 and may not require a match greater than ten percent of the grant award.

Sec. 75. [ORGANIZED COLLECTION STUDY.]

The metropolitan council shall study the benefits and feasibility of a system of organized collection of residential, commercial, and industrial solid wastes in the metropolitan area. The council shall submit a report on the results of the study to the legislative commission on waste management by June 1, 1985.

Sec. 76. [INSURANCE FEASIBILITY STUDY.]

The waste management board shall conduct a study of the feasibility and desirability of providing insurance for the costs of response actions and third party damages resulting from facilities for the disposal of mixed municipal solid waste. The waste management board shall submit findings, conclusions, and recommendations in a report to the legislative commission on waste management by December 1, 1984.

Sec. 77. [RESOURCE RECOVERY FACILITIES.]

Subdivision 1. [SERVICE CHARGES.] Ramsey and Washington Counties may exercise the powers of a county under Minnesota Statutes, section 400.08 in addition to the powers which the counties may exercise under other law.

Subd. 2. [USE OF COUNTY FUNDS AND LONG-TERM CONTRACTS.] Any available funds of the county including rates and charges imposed pursuant to subdivision 1 may be used for solid waste management purposes including reduction of the waste disposal fees at a resource recovery facility. The county may by a contract with a term of not more than 40 years covenant to apply available funds of the county for any solid waste management purposes and to take, omit, or prohibit any other action that the county determines is appropriate to provide for receipt of adequate types and amounts of solid waste by a waste facility or to otherwise assure the feasibility of the facility.

Subd. 3. [LEASE OR SALE OF PROPERTY TO PRIVATE PERSONS.] Notwithstanding section 473.811, subdivision 8, to accomplish the purposes set out in section 473.803, a county may, without review of the disposition by the pollution control agency or metropolitan council, lease or sell all or part of the resource recovery or related facility, including transmission facilities and property or property rights for a resource recovery or related facility to a private person, on the terms the county deems appropriate, but a lease or sale contract shall provide for the operation and maintenance of the facility in

accordance with the rules criteria and standards of the pollution control agency, the waste management board, the metropolitan council, and the county.

Subd. 4. [APPLICATION.] This section applies separately to each of Ramsey and Washington Counties the day after compliance with Minnesota Statutes, section 645.021, subdivision 3, by its governing body.

Sec. 78. [EXEMPTION TO CERTIFICATE OF NEED.]

Section 53 shall not apply to any expansion of a facility for which the EIS preparation notice has been published on or before March 15, 1984.

Sec. 79. [HAZARDOUS WASTE EMERGENCY TRAINING.]

(a) The commissioner of the department of public safety shall provide by contract agreement the training of safety officials on methods of handling hazardous waste emergencies. The training shall be focused on handling emergencies relating to transportation of hazardous waste. The training must include seminars, workshops, hands-on experience, or actual field demonstrations.

(b) The program should emphasize handling emergencies in an urban center or rural area and methods of early recognition; evacuating areas; coordination of enforcement, fire, and civil defense; treatment of fire, spillage, and explosion; health hazards; and clean up.

(c) The commissioner shall select sites reasonably distributed throughout the state for the training to take place and may make contracts for training at those sites.

Sec. 80. [APPROPRIATIONS.]

Subdivision 1. [WASTE MANAGEMENT BOARD.] The following amounts are appropriated from the general fund to the waste management board and are available until June 30, 1985.

(a) For technical and research assistance programs, \$300,000.

(b) For hazardous waste reduction feasibility studies, \$300,000.

(c) For hazardous waste collection and processing feasibility studies, \$650,000.

(d) For administration of the programs provided in sections ... to ..., \$100,000.

The complement of the waste management board is increased by ... positions.

Subd. 2. [MEEB.] The sum of \$25,000 is appropriated from the general fund to the Minnesota environmental education board for the purpose of section 57, and is available until June 30, 1985.

Subd. 3. [AGENCY.] The sum of \$..... is appropriated from the general fund to the pollution control agency to be available for the fiscal year ending June 30 in the years indicated. The unencumbered balance remaining in the first year does not cancel but is available for the second year.

1984 1985

Of this amount, \$..... the first year and \$..... the second year is for payment to the metropolitan council, to be spent for the following purposes:

(a) The organized collection study in section 75	\$.....	\$.....
(b) For market development grants	\$.....	\$.....
(c) For resource recovery grants and loans	\$.....	\$.....
(d) For solid waste planning assistance	\$.....	\$.....
For adoption and enforcement of rules	\$.....	\$.....

Subd. 4. [WASTE MANAGEMENT BOARD.] The sum of \$..... is appropriated from the general fund to the waste management board to be available for the fiscal year ending June 30 in the years indicated. The unencumbered balance remaining the first year does not cancel but is available for the second year. The money shall be used for the purposes and in the manner provided in section 76.

1984 1985

\$..... \$.....

Subd. 5. [REIMBURSEMENT.] Any amount expended by the agency or waste management board from the appropriations in subdivisions 1 and 2 shall be reimbursed to the general fund, and the amount necessary to make the reimbursement is appropriated from the landfill abatement fund to the commissioner of finance for transfer to the general fund.

Subd. 6. [COMMISSIONER OF REVENUE.] The sum of \$..... is appropriated from the general fund to the commissioner of revenue for the purpose of administering section 41, to be available until June 30, 1985. This appropriation shall be reimbursed to the general fund under section 41, subdivision 6. The complement of the department of revenue is increased by two positions.

Subd 7. [COMMISSIONER.] The sum of \$75,000 is appropriated to the commissioner of public safety for the purpose in section 53. The unencumbered balance does not cancel and remains available until expended.

Sec. 81. [REPEALER.]

Minnesota Statutes 1982, sections 115A.071; 115A.46, subdivision 3; 115A.70, subdivisions 1, 2, 4, 5, and 6; 473.827; and Minnesota Statutes 1983 Supplement, section 115A.70, subdivisions 3 and 7, are repealed.

Sec. 82. [APPLICATION.]

This act, except for section 77, is effective the day following final enactment. Sections 47 to 50 are effective in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 83. [EFFECTIVE DATE.]

Sections 52, 53, 66, and 67 are effective the day following final enactment.

Sections 47 to 51, 54, and 55 are effective January 1, 1985. Section 55 is effective for taxable years beginning after December 31, 1983. Section 63 is effective for sales after June 30, 1984."

Delete the title and insert:

"A bill for an act relating to solid and hazardous waste management; defining resource recovery facility; amending various provisions of the waste management act; prescribing various powers and duties of the waste management board and the pollution control agency relating to hazardous waste management planning and the development of hazardous waste facilities; establishing programs for public education, technical, financial and research assistance to generators, and studies of hazardous waste reduction and processing and collection facilities; requiring a report on the need and feasibility of hazardous waste facilities; authorizing volunteer candidate sites; requiring requests for proposals for hazardous waste processing facilities; prescribing procedures for the designation of solid waste facilities by counties and waste management districts; amending various provisions relating to county and metropolitan solid waste management; designating resource recovery facilities; appropriating money; amending Minnesota Statutes 1982, sections 115A.03, subdivisions 1 and 28; 115A.06, by adding a subdivision; 115A.08, by adding a subdivision; 115A.18; 115A.21, by adding a subdivision; 115A.42; 115A.46, subdivisions 1 and 2; 115A.57, subdivision 1; 115A.59; 115A.70, by adding a subdivision; 116J.88, by adding a subdivision; 116J.90, by adding subdivisions; 116J.91, by adding a subdivision; 290.06, by adding a subdivision; 400.04, subdivision 3, and by adding a subdivision; 400.162; 473.181, subdivision 4; 473.811, subdivision 10; 473.833, subdivision 4; Minnesota Statutes 1983 Supplement, sections 115A.08, subdivision 5; 115A.11; 115A.21, subdivision 1; 115A.22, subdivisions 1 and 4; 115A.24; 115A.241; 115A.25, subdivisions 1, 1a, and 1b; 115A.26; 115A.27, subdivision 2; 115A.28, subdivision 1; 115A.291; 115B.22, subdivision 1; 116J.90, subdivision 4; 297A.25, subdivision 1; 473.823, subdivision 6; and 473.831; proposing new law coded in Minnesota Statutes, chapters 115A; 116E; and 473; repealing Minnesota Statutes 1982, sections 115A.071; 115A.46, subdivision 3; 115A.70, subdivisions 1, 2, 4, 5, and 6; 473.827; and Minnesota Statutes 1983 Supplement, section 115A.70, subdivisions 3 and 7."

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

S.F. No. 1781: A bill for an act relating to occupations and professions; removing an auctioneer's exemption from real estate brokers and salespersons licensing; amending Minnesota Statutes 1983 Supplement, section 82.18.

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

Page 2, lines 9 to 11, reinstate the stricken language

Page 2, line 11, before the reinstated semicolon, insert "*and when that person has been employed to auction real estate by a person licensed under*

this chapter”

Page 2, lines 12, 18, 22, 25, and 30, reinstate the stricken language and delete the new language

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. 1755: A bill for an act relating to St. Louis County; permitting the county to establish an emergency jobs program.

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

H.F. No. 1481: A bill for an act relating to financial institutions; credit unions; authorizing credit unions to offer various classes of shares, share certificates, deposits, or deposit certificates; authorizing the board of directors to establish different classes of shares and place certain restrictions on one class of shares; allowing credit unions to designate the par value of shares; specifying certain components of the capital of a credit union; adding investment losses to the category of contingencies against which credit unions are required to reserve; permitting the board to pay no dividend; permitting the exclusion of one share of a member from the requirement for insurance; amending Minnesota Statutes 1982, sections 52.12; 52.17, subdivision 1; 52.18; and 52.24, by adding a subdivision; Minnesota Statutes 1983 Supplement, sections 52.01; 52.04, subdivision 1; 52.05; and 52.09, subdivision 2.

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

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.

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. 1866: A bill for an act relating to occupations and professions; regulating the licensing of salons for estheticians; amending Minnesota Statutes 1982, section 155A.08, subdivision 2.

Reports the same back with the recommendation that the bill do pass and be

placed on the Consent Calendar. Report adopted.

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

S.F. No. 2083: A resolution memorializing the Administrator of General Services of the United States of the development of a permanent operation plan for the distribution of federal surplus property.

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

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

H.F. No. 1784: A bill for an act relating to the state board of investment; establishing combined investment funds; amending Minnesota Statutes 1982, sections 11A.14; and 11A.24, subdivision 2; and Minnesota Statutes 1983 Supplement, section 11A.24, subdivision 1; repealing Minnesota Statutes 1982, section 356.20, subdivision 5.

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

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

S.F. No. 1325: A bill for an act relating to state government; providing for a day care center for state employees in the capitol complex; amending Minnesota Statutes 1982, section 16.02, by adding a subdivision.

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

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

S.F. No. 9: A bill for an act relating to state employees; establishing Martin Luther King's birthday as an optional holiday; amending Minnesota Statutes 1982, section 645.44, subdivision 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. Minnesota Statutes 1982, section 126.10, is amended to read:
126.10 [SPECIAL DAYS.]

The following days or the school days nearest to them are designated for special observance in the public schools of the state: September 28 as Frances Willard Day, October 9 as Leif Ericson Day, ~~January 15 as Martin Luther King, Jr. Day~~, and February 15 as Susan B. Anthony Day. On these days schools may offer instruction and programs in commemoration of the life and history of the respective persons and the principles and ideals they fostered.

Sec. 2. Minnesota Statutes 1982, section 126.13, is amended to read:

126.13 [CONDUCT OF SCHOOL ON CERTAIN HOLIDAYS.]

The governing body of any district may contract with any of the teachers thereof for the conduct of schools, and may conduct schools, on either, or any, of the following holidays, provided that a clause to this effect is inserted in the teacher's contract: *Martin Luther King's birthday*, Lincoln's and Washington's birthdays, Columbus Day and Veterans' Day, provided that on *Martin Luther King's birthday*, Washington's birthday, Lincoln's birthday, and Veterans' Day at least one hour of the school program be devoted to a patriotic observance of the day.

Sec. 3. Minnesota Statutes 1982, section 136.22, is amended to read:

136.22 [CLASSES ON HOLIDAYS.]

The state university board is hereby authorized to conduct classes in the several state colleges on either or any of the following holidays: *Martin Luther King's Birthday*, Lincoln's Birthday, Washington's Birthday, Columbus Day, and Veterans Day, provided that when classes are held on *Martin Luther King's Birthday*, Washington's Birthday, Lincoln's Birthday, or Veterans Day, that at least one hour of the school day be devoted to a patriotic observance of that day.

Sec. 4. Minnesota Statutes 1982, section 645.44, subdivision 5, is amended to read:

Subd. 5. [HOLIDAYS.] "Holiday" includes New Year's Day, January 1; *Martin Luther King's birthday*, the third Monday in January; Washington's and Lincoln's Birthday, the third Monday in February; Memorial Day, the last Monday in May; Independence Day, July 4; Labor Day, the first Monday in September; Christopher Columbus Day, the second Monday in October; Veterans Day, November 11; Thanksgiving Day, the fourth Thursday in November; and Christmas Day, December 25; provided, when New Year's Day, January 1; or Independence Day, July 4; or Veterans Day, November 11; or Christmas Day, December 25; falls on Sunday, the following day shall be a holiday and, provided, when New Year's Day, January 1; or Independence Day, July 4; or Veterans Day, November 11; or Christmas Day, December 25; falls on Saturday, the preceding day shall be a holiday. No public business shall be transacted on any holiday, except in cases of necessity and except in cases of public business transacted by the legislature, nor shall any civil process be served thereon. However, for the executive branch of the state of Minnesota, "holiday" also includes the Friday after Thanksgiving but does not include Christopher Columbus Day. Other branches of state government and political subdivisions shall have the option of determining whether Christopher Columbus Day and the Friday after Thanksgiving shall be holidays. Where it is determined that Columbus Day or the Friday after Thanksgiving is not a holiday, public business may be conducted thereon.

Any agreement between a public employer and an employee organization citing Veterans Day as the fourth Monday in October shall be amended to cite Veterans Day as November 11.

Sec. 5. [EFFECTIVE DATE.]

This act is effective January 1, 1986."

Delete the title and insert:

"A bill for an act relating to holidays; establishing Martin Luther King's birthday as a holiday; allowing school districts and state colleges to conduct classes on Martin Luther King's birthday provided there is a patriotic observance of the day; amending Minnesota Statutes 1982, sections 126.10; 126.13; 136.22; and 645.44, subdivision 5."

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

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

S.F. No. 1145: A bill for an act relating to education; providing for self-insured, statewide fringe benefit coverage for employees of school districts and others; appropriating money; proposing new law coded in Minnesota Statutes, chapter 121.

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

Page 1, after the enacting clause, insert:

"Section 1. Minnesota Statutes 1982, section 43A.04, is amended by adding a subdivision to read:

Subd. 9. [SCHOOL EMPLOYEE FRINGE BENEFITS.] The commissioner shall administer the school employee fringe benefit fund as set forth in section 4."

Page 1, line 10, delete "9" and insert "10"

Page 1, line 20, delete "or a" and insert "; and a person who is"

Page 1, line 21, delete "person"

Page 2, line 11, delete "employers" and insert "those"

Page 2, line 16, before "The" insert "*The school employee fringe benefit board provides advice and consultation to the commissioner on all aspects of the commissioner's duties under section 5.*"

Page 2, line 16, delete "school"

Page 2, line 17, delete "employee fringe benefit" and delete "11" and insert "five" and delete "four" and insert "two"

Page 2, line 18, delete "five public members" and insert "and two professionals"

Page 2, line 19, delete "knowledgeable" and delete the comma

Page 2, line 20, delete everything before the period

Page 2, line 20, delete "governor" and insert "commissioner"

Page 2, line 21, delete everything after "board"

Page 2, delete line 22

Page 2, line 23, delete everything before the first comma

Page 2, line 24, after "1987." insert "*Members shall be subject to the conflict of interest provisions of section 43A.38.*"

Page 2, delete lines 25 to 33

Renumber the subdivisions in sequence

Page 3, delete lines 18 to 35

Page 4, delete lines 2 and 3 and insert:

"(1) establish a benefit plan or plans consistent with section 8;

(2) annually establish premiums necessary to provide the benefits;

(3) establish the effective dates for group insurance contracts and for changes in coverage and premiums;

(4) determine eligibility requirements for active and retired employees and for dependents;

(5) report annually to the legislative commission on employee relations a detailed statement of assets and liabilities, the amount and character of the business transacted, and money reserved and expended during the previous year;

(6) establish procedures for holding school district elections on the question of participation in and withdrawal from the fund;"

Renumber the clauses in sequence

Page 4, line 14, after "reserves" insert "*including the reservation of an appropriate amount of additional funds to cover the cost of claims incurred, but unpaid, during the term of the contract*"

Page 4, line 16, delete "EMPLOYER-PAID BENEFIT" and insert "ELIGIBILITY DETERMINATION"

Page 4, line 17, delete "employer-paid"

Page 4, line 27, after "agreement" insert "*, and premiums shall be established by the board*"

Page 4, line 29, delete "five" and insert "two"

Page 4, line 35, delete "7" and insert "8"

Page 5, line 7, delete "7" and insert "8"

Page 5, line 24, delete everything after the period, and insert "*The exclusive representative must determine whether to participate in the plan by April 5, 1985, and coverage will be effective September 1, 1985.*"

Page 5, delete lines 25 and 26

Page 6, line 21, after "include" insert "*at least two benefit options;*"

Page 6, line 21, delete "*of not less than \$500,000*"

Page 6, line 22, delete "*of \$100 or*" and insert a semicolon

Page 6, line 23, delete "*of \$300*"

Page 6, line 23, after "expense" delete "*of*"

Page 6, line 24, delete "\$1,000"

Page 6, line 26, before the period, insert ", unnecessary utilization, and provide incentives for cost effective providers"

Page 6, line 27, before "opinion" insert "surgical" and delete "surgery"

Page 6, delete lines 28 and 29 and insert "preferred provider arrangements, hospital utilization review, employee auditing of hospital bills,"

Page 6, line 30, after "for" insert "ambulatory care,"

Page 7, line 6, after "employer" insert "and the exclusive representative"

Page 7, line 8, delete "The employer pays the"

Page 7, delete line 9

Page 7, line 10, delete "benefits."

Page 7, line 10, after "for" insert "employee health, dental, and life benefits and"

Page 7, line 13, delete "may make reasonable modifications"

Page 7, line 14, delete "in these amounts" and insert "determines the amount to be contributed by each"

Page 8, line 20, delete "9" and insert "10"

Page 8, line 25, delete "7" and insert "8"

Renumber the sections in sequence

Amend the title as follows:

Page 1, after line 4, insert "amending Minnesota Statutes 1982, section 43A.04, by adding a subdivision;"

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

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

S.F. No. 1479: A bill for an act relating to public welfare; clarifying the commissioner's rulemaking authority; amending Minnesota Statutes 1983 Supplement, section 256.01, subdivision 2.

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

Page 4, line 33, delete "The appropriate"

Page 4, delete lines 34 to 36

Page 5, delete lines 1 to 5

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

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

S.F. No. 1722: A bill for an act relating to agriculture; requiring agricultural land preservation planning and official controls outside of the metropolitan area; providing for the creation of exclusive agricultural use zones; establishing agricultural land preservation and conservation awareness and assistance programs; allowing valuation of agricultural land on the basis of productivity and net earning capacity; creating a legislative commission on agricultural land preservation and conservation; authorizing a special levy; creating a cost-sharing account in the state treasury; imposing a penalty; appropriating money; amending Minnesota Statutes 1982, section 40.036, by adding a subdivision; proposing new law coded as Minnesota Statutes, chapter 40A.

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

Pages 17 to 18, delete section 20

Page 18, line 18, delete "*legislative commission*" and insert "*legislature*"

Page 18, line 19, delete everything before the second "*on*"

Page 19, delete lines 29 to 34

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 9, delete everything after the semicolon

Page 1, delete line 10

Page 1, line 11, delete everything before "*authorizing*"

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

S.F. No. 2016: A bill for an act relating to the office of the secretary of state; providing for the simplification of various filings with that office; eliminating or transferring certain filings; providing for uniform standards for the filing of names of limited partnerships, corporations, cooperatives, and assumed names and marks; eliminating the requirement of publication after incorporation; 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 35.14; 62C.06, subdivision 3; 62G.08, subdivision 2; 66A.08, subdivision 4; 72A.43, subdivisions 1 and 2; 121.212, subdivision 3; 169.966, subdivision 7; 272.483; 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; 315.15; 315.20, subdivisions 2 and 3; 315.23, subdivision 2;

315.32; 315.365, subdivision 2; 317.09, subdivision 2; 318.02, subdivision 1; 322A.02; 322A.86; 325D.67, subdivisions 5 and 6; 331.02, subdivision 1; 333.001, subdivisions 3 and 4; 333.01; 333.02; 333.035; 333.055, subdivision 1; 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; 365.46; 379.05; 507.10; 540.152; 543.08; Minnesota Statutes 1983 Supplement, sections 53.03, subdivisions 5 and 6; 300.083, subdivision 6; 302A.521, subdivision 6; 336.9-401; 507.09; and 648.39, subdivision 1; 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.

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

Pages 2 to 4, delete sections 2 and 3

Pages 16 to 29, delete sections 12 to 26

Pages 34 to 37, delete sections 33 to 36

Pages 38 to 57, delete sections 39 to 55

Pages 59 and 60, delete sections 60 and 61

Page 62, delete sections 63 and 64

Page 62, line 17, delete "64" and insert "22"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, delete everything after the semicolon

Page 1, delete line 6

Page 1, line 7, delete everything before "eliminating"

Page 1, delete lines 9 to 16

Page 1, line 17, delete everything before "amending"

Page 1, line 21, delete everything after the second semicolon

Page 1, delete lines 22 to 25

Page 1, line 26, delete "subdivision 3;"

Page 1, delete line 28

Page 1, line 29, delete "322A.86;" and delete "331.02,"

Page 1, delete lines 30 to 33

Page 1, line 34, delete "362A.01, subdivision 1;"

Page 1, line 35, delete everything before "Minnesota"

Page 1, delete lines 36 and 37 and insert "sections"

Page 1, line 38, delete everything after "1" and insert a period

Page 1, delete lines 39 to 42

And when so amended the bill do pass and be placed on the Consent Cal-

endar. Amendments adopted. Report adopted.

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

S.F. No. 1390: A bill for an act relating to investments; legal investments for police and firefighter's relief associations; amending Minnesota Statutes 1982, section 69.775; and Minnesota Statutes 1983 Supplement, section 69.77, subdivision 2.

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

Page 6, after line 25, insert:

"Sec. 3. Minnesota Statutes 1983 Supplement, section 352.113, subdivision 2, is amended to read:

Subd. 2. [APPLICATION; ACCRUAL OF BENEFITS.] An employee making claim for a total and permanent disability benefit shall file a written application therefor in the office of the system in a form and manner prescribed by the executive director. The benefit shall begin to accrue ~~90 days~~ *the day* following the commencement of disability or the day following the last day paid whichever is later but in no event earlier than 60 days prior to the date the application is filed with the director.

Sec. 4. Minnesota Statutes 1982, section 352.113, subdivision 3, is amended to read:

Subd. 3. [COMPUTATION OF BENEFITS.] The total and permanent disability benefit shall be computed in the manner provided in section 352.115. The disability benefit shall be the normal annuity without reduction for each month the employee is under age 65 at the time of becoming disabled. A disabled employee may elect to receive the normal disability benefit or an optional annuity as provided in section 352.116, subdivision 3. The election of an optional annuity shall be made prior to the commencement of payment of the disability benefit and shall be effective ~~30 days after receipt of the election or the date on which the disability begins to accrue as provided in subdivision 2, whichever occurs later. Upon becoming effective, the optional annuity shall begin to accrue on the same date as provided for the disability benefit.~~

Sec. 5. Minnesota Statutes 1983 Supplement, section 352.115, subdivision 8, is amended to read:

Subd. 8. [ACCRUAL OF ANNUITY.] State employees shall make application for an annuity but such application shall not be made more than 60 days prior to the time the employee is eligible to retire by reason of both age and service requirements. If the director determines an applicant for annuity has fulfilled all the requirements of the law to entitle him to an annuity, he shall authorize payment thereof in accordance with the provisions of this chapter and payment shall be made pursuant to this authorization. An annuity shall begin to accrue no earlier than 60 days prior to the date the application is filed with the director ~~except that if an optional annuity as provided in section 352.116, subdivision 3 is selected the annuity shall begin to accrue 30 days after the application is filed with the director,~~ but in no event prior to the day

following the termination of state service or prior to the day the employee is eligible to retire by reason of both age and service requirements. The retirement annuity shall cease with the last payment which had accrued to the retired employee during his lifetime unless he elected an optional annuity provided in section 352.116, subdivision 3, and he had become entitled to payment thereof. The joint and last survivor annuity shall cease with the last payment received by the survivor in his or her lifetime. If a retired employee had not selected an optional annuity, or a survivor annuity is not payable under the option, and a spouse survives, such spouse shall be entitled only to the annuity for the calendar month in which the retired employee died. If an optional annuity is payable after the death of the retired employee, the survivor shall be entitled to the annuity for the calendar month in which the retired employee died.

Sec. 6. Minnesota Statutes 1982, section 352D.02, is amended by adding a subdivision to read:

Subd. 1b. An employee covered by the regular plan who is subsequently employed as a permanent, full-time unclassified employee of the legislature or any commission or agency of the legislature may elect to transfer accumulated employee and matching employer contributions, as provided in section 352D.03.

Sec. 7. Minnesota Statutes 1982, section 353.34, is amended by adding a subdivision to read:

Subd. 3a. [DEFERRED ANNUITY; CERTAIN HOSPITAL EMPLOYEES.] Any member employed by a public hospital, as defined in section 355.71, subdivision 3, who has at least five years of allowable service credit on the date the public hospital is taken over by a private corporation or organization, may elect to receive a deferred annuity pursuant to subdivision 3 notwithstanding the length of service requirement contained therein.

Sec. 8. Minnesota Statutes 1982, section 354.62, subdivision 2, is amended to read:

Subd. 2. [INDIVIDUAL ELECTION.] Each member of the teachers retirement association may elect to participate in the variable annuity division by filing a written notice with the board of trustees on forms provided by the board.

(1) Employee variable annuity contributions to the variable annuity division shall be pursuant to the option available in section 354.44, subdivision 7, the employee variable annuity contributions shall be an amount equal to ~~two percent of the salary of every coordinated member and four percent of the salary of every basic member~~ *one-half of the employee rates specified in section 354.42, subdivision 2.*

(2) Employer variable annuity contributions shall be an amount equal to the employee variable annuity contributions provided in clause (1). The deficiency in equal employer variable annuity contributions which shall exist prior to July 1, 1975 shall be recovered from the additional employer contributions made prior to July 1, 1975 pursuant to section 354.42, subdivision 5.

(3) There shall be provided for members participating in the variable an-

nunity division a separate account for each member which will show his variable account accumulations as defined in section 354.05, subdivision 23. The board shall establish such other accounts in the variable annuity division as it deems necessary for the operation of this provision.

(4) After June 30, 1974 there shall be no new participants in this program.

(5) Effective July 1, 1978, no future employee and employer contributions shall be credited to any accounts in the variable annuity division unless the member elects continued participation in the variable annuity division pursuant to section 354.621.

Sec. 9. Minnesota Statutes 1983 Supplement, section 356.61, is amended to read:

356.61 [LIMITATION ON PUBLIC EMPLOYEE RETIREMENT ANNUITIES.]

Notwithstanding any provision of law, bylaws, articles of incorporation, retirement and disability allowance plan agreements or retirement plan contracts to the contrary, no person who has pension or retirement coverage by a public pension plan shall be entitled to receive a monthly retirement annuity or disability benefit which, at the time of commencement of the retirement annuity or disability benefit, exceeds the lesser of:

(a) the amount of the final monthly salary of the person; or

(b) one-twelfth of the amount of the annual benefit permitted by the terms of section 415 of the Internal Revenue Code with respect to a participant in a plan qualified under section 401(a) of the Internal Revenue Code, as amended through December 31, 1982.

The benefit limitation of clause (b) is to be determined on the date the benefit is initially payable or on the date the employee terminated employment, if earlier. The benefit limitation on any date is the benefit limitation for the limitation year in which the date occurs. The limitations apply only to the annual benefit which is derived from employer contributions. Mandatory and voluntary employee contributions, if any, are treated as a separate defined contribution plan maintained by the employer which is subject to the limitations placed on annual additions to defined contribution plans.

The maximum annual benefit of clause (b) for any limitation year is the lesser of (1) or (2) below:

(1) A dollar limitation of \$90,000, adjusted as of January 1 of each calendar year to the dollar limitation as determined for that year by the commissioner of Internal Revenue. The amount determined for any year will apply to limitation years ending with or within that calendar year.

(2) A compensation limitation of 100 percent of the average of compensation paid or made available to the participant by the employer during those three consecutive calendar years of employment, or actual number of consecutive calendar years of employment if employed less than three consecutive years, which give the highest average. Compensation means any compensation which is includable in the employee's gross income.

A benefit shall be deemed not to exceed the maximum benefit limitation of clause (b) if:

(1) the retirement benefits payable under the plan and under any other defined benefit plans of the employer do not exceed the \$10,000 limit set in section 415 (b)(4) of the Internal Revenue Code for the plan year, or for any prior plan year, and

(2) the employer has not at any time maintained a defined contribution plan in which the employee participated.

A public pension plan is any Minnesota public pension plan or fund which provides pension or retirement coverage for public employees other than volunteer firefighters, including any plan or fund enumerated in sections 356.20, subdivision 2, or 356.30, subdivision 3, any local police or firefighter's relief association to which section 69.77 applies, or any retirement or pension plan or fund, including a supplemental retirement plan or fund, established, maintained or supported by any governmental subdivision or public body whose revenues are derived from taxation, fees, assessments or from other public sources. Final monthly salary is the hourly rate of compensation received by the person on account of the most recent public employment for the final pay period occurring prior to retirement multiplied by 174.

The figure for the monthly retirement annuity or disability benefit to be used for the calculation of this limitation shall not include any reduction or adjustment required for retirement prior to the normal retirement age or required for the election of an optional annuity.

If the figure for the monthly retirement annuity or disability benefit exceeds the limit contained in this section, the annuity or benefit payable shall be reduced appropriately.

The managing board of each public pension plan from which a retirement annuity or disability benefit is payable shall, at the time that the retirement annuity or disability benefit commences, contact all other public pension plans to determine whether or not the recipient of the retirement annuity or disability benefit is also receiving or is entitled to receive a retirement annuity or disability benefit from any other public pension plan. If a person is entitled to receive or is receiving a retirement annuity or disability benefit from more than one public pension plan, all retirement annuities or disability benefits from all public pension plans shall be totalled in determining whether or not the limitation shall apply; provided however, that the limitation shall be based on the highest final monthly salary received by the individual from any plan. Any reduction in the amount of the retirement annuity or disability benefit required pursuant to this section shall be made by the public pension plan which provided retirement coverage for the most recent period of service.

Sec. 10. Minnesota Statutes 1982, section 422A.18, subdivision 3, is amended to read:

Subd. 3. Payment of any disability allowance authorized by sections 422A.01 to 422A.25, shall commence ~~five~~ *three* months after date of application provided that the applicant has not been restored to duty. Such payment shall be retroactive to date of application and shall continue throughout the full period of the disability subject to the same optional selections as are provided for service allowances; provided that when a disability beneficiary

shall have attained the minimum age for retirement on a service allowance the disability allowance shall be discontinued only as provided by the terms of the option selected. Any employee eligible for a disability allowance who is also entitled to an allowance under a workers' compensation act and/or resumes a gainful occupation shall be entitled to receive during the period of such compensation only that portion of the retirement allowance provided by this act which when added to such additional compensation does not exceed the salary of the employee at the time of disability.

Sec. 11. [423A.20] [VESTING UPON LAYOFF.]

Notwithstanding any general or special law to the contrary, if a member of a salaried firefighters relief association with ten or more years of service is laid off and replaced with a volunteer firefighter, the member shall be entitled to receive a pro rata monthly benefit. For purposes of this section, "laid off" means terminated from employment with the fire department because of a shortage of funds or curtailment of service or for any other reason not reflecting discredit on the member beyond the member's control.

The retirement benefit is to commence at the later of either the minimum age for retirement or the date at which the member would have accumulated the minimum number of years of service for retirement if the member had remained on duty.

The pro rata benefit shall be calculated by multiplying the amount of the benefit payable to a member who met the minimum age and years of service requirements for a normal pension by the ratio of the laid off member's actual years of service to the minimum years of service required for retirement. The initial benefit payable shall be subject to the same post retirement adjustments as other benefits payable from the relief association.

Sec. 12. Minnesota Statutes 1982, section 424.24, subdivision 2, is amended to read:

Subd. 2. (a) "Surviving spouse" means a person who became the member's legally married spouse during or prior to the time the member was on the payroll of any such fire department as a firefighter, and remained such continuously after their marriage until the member's death, without having been granted a marriage dissolution or legal separation, and who, in case the deceased member was a service or deferred pensioner, was legally married to the member for at least ~~three years~~ one year prior to the member's retirement from the fire department; and who, in any case, was residing with the member at the time of the member's death. No temporary absence for purposes of business, health or pleasure shall constitute a change of residence for purposes of this clause.

(b) "Surviving child" means any child of the member living while the deceased member was on the payroll of the fire department, or who were born within nine months after the deceased member was withdrawn from the payroll of the fire department.

Sec. 13. [BUHL POLICE RETIREMENT BENEFITS.]

Notwithstanding the limitation contained in Minnesota Statutes, section 423.55 or any other law, the bylaws of the Buhl police relief association may be amended to provide for the payment of a service pension equal to 65

percent of the monthly base pay of a member at the time of retirement from the police department. All other provisions of section 423.55 shall apply to the extent not inconsistent with this section.

Sec. 14. Laws 1981, chapter 68, section 43, is amended to read:

Sec. 43. [BUHL POLICE SURVIVOR BENEFITS.]

Notwithstanding any provision of any general or special law to the contrary, the Buhl police relief association may provide in its bylaws or articles of incorporation for the payment of survivor benefits to the surviving spouse of a deceased member, or the surviving dependent children equally if there be no surviving spouse, in an amount equal to ~~50~~ 65 percent of the pension the deceased member was receiving on the date of death. The service pension is to be based on one-half of the total pay of the previous 12 month period. Payment shall continue until the surviving spouse remarries or until the dependent children reach the age of 18 years, or 22 years if a full-time student. In the event of the death of a member prior to retirement, dependent children shall receive survivor benefits in the amount of \$125 per month per child, payable until age 18 or age 22 if a full-time student.

Sec. 15. [EVELETH POLICE AND FIREFIGHTERS; BENEFIT INCREASE.]

Notwithstanding any general or special law to the contrary, in addition to other benefits payable, retirement benefits payable to retired police officers and firefighters and the surviving spouses thereof by the Eveleth police and fire trust fund may be increased by \$10 per month. Increases may be made retroactive to January 1, 1984.

Sec. 16. Laws 1947, chapter 43, section 23, as amended by Laws 1949, chapter 154, section 5, Laws 1951, chapter 43, section 4, Laws 1967, chapter 807, section 2, and Laws 1975, chapter 389, section 1, is amended to read:

Sec. 23. [FARIBAULT, CITY OF; FIREMEN'S RELIEF; RETIREMENT AND PENSIONS; PAYMENTS UPON DEATH OF MEMBER.]
When a service pensioner, disability pensioner, or deferred pensioner, or an active member of such relief association dies, leaving:

(a) A widow who became his legally married wife while or prior to the time he was on the payroll of the fire department and remained such continuously after such marriage until his death without having applied for any divorce or legal separation, and who, in case the deceased member was a service or deferred pensioner, was legally married to such member at least ~~three years~~ *one year* before his retirement from said fire department; and who, in any case, was residing with him at the time of his death. No temporary absence for purposes of business, health, or pleasure shall constitute a change of residence for the purposes of this section.

(b) A child or children, who were living while the deceased was on the payroll of the fire department, or who were born within nine months after said decedent was withdrawn from the payroll of said fire department, such widow and said child or children shall be entitled to a pension as follows:

(1) To such widow a monthly pension equal to 30 percent of the current monthly salary of a firefighter per month for her natural life, and a pension

equal to ten percent of the current monthly salary of a firefighter per month for each child under eighteen years of age, or under the age of 21 years if unmarried and a full-time student. If such widow shall remarry, then her pension shall cease and terminate as of the date of her said marriage.

(2) To such child or children of a deceased member, after the death of the widow of such member, a monthly pension, or pensions, in such amount as the board of trustees of such association shall deem necessary to properly support such child or children until they reach the age of eighteen years or, if unmarried and a full-time student, the age of 21 years.

(3) In no event shall the survivor's pension or pensions exceed 50 percent of the current monthly salary of a firefighter per month.

(c) The amendments to subsection (b) adopted by the 1975 session of the legislature shall not apply to widows and children who began drawing pensions before July 1, 1975, although such widows and children shall continue to draw the pensions to which they are entitled under the law as it existed before the adoption of said amendments.

Sec. 17. Laws 1963, chapter 643, section 20, is amended to read:

Sec. 20. When a service pensioner, disability pensioner, or deferred pensioner, or an active member of the firemen's relief association in Albert Lea dies leaving:

(a) A widow who became his legally married wife while or prior to the time he was on the payroll of the fire department and remained such continuously after such marriage until his death without having applied for any divorce or legal separation, and who, in case the deceased member was a service or deferred pensioner, was legally married to such member at least ~~three years~~ *one year* before his retirement from said fire department; and who, in any case, was residing with him at the time of his death. No temporary absence for purposes of business, health, or pleasure shall constitute a change of residence for purposes of this section.

(b) A child or children, who were living while the deceased was on the payroll of the fire department, or who were born within nine months after said decedent was withdrawn from the payroll of said fire department, such widow and such child or children shall be entitled to a pension as follows:

(1) To such widow a monthly pension equal to 30 percent of the monthly wages or salary of the deceased member as of the date of death for her natural life and an additional monthly pension equal to ten percent of said monthly wages or salary for each child of such member under 18 years of age, all thereafter adjusted according to wage increases or decreases granted to active firemen. However, the total amount of the pension payable per month to the widow and children shall not exceed fifty percent of the monthly wages or salary of such member at the time of death. If the widow shall remarry, then her pension, excluding the amounts paid for children, shall cease and terminate as of the date of her remarriage. Such amounts paid for a child or children may be increased after remarriage of the widow providing such increased amounts shall be based upon need of the children upon written findings signed by the board of trustees, and shall not in any event exceed for the total amount paid for the children a sum equal to 50 percent of the monthly wages or salary of such member at the time of death, all thereafter

adjusted to wage increases or decreases granted to active firemen.

(2) To such child or children of a deceased member, after the death of the widow of such member, a monthly pension or pensions equal to, but not to exceed for the children of any one deceased member, the sum of 50 percent of the monthly wages or salary of such member at the time of death, all thereafter adjusted to wage increases or decreases granted to active firemen.

Sec. 18. Laws 1973, chapter 359, section 5, subdivision 2, is amended to read:

Subd. 2. A widow must have been the fireman's legally married wife living with him at the time of his death and must have been married to him for a period of at least one year while or prior to the time he was an active member of the fire department. In the case the deceased fireman is retired, the widow must have been married to him at least ~~three years~~ one year before his retirement.

Sec. 19. Laws 1973, chapter 432, section 4, is amended to read:

Sec. 4. [USES OF PENSION FUND.] The policemen's pension fund shall be used only for the payment of:

(a) service, disability, or dependency pensions; and

(b) ~~salaries, in an amount not in excess of \$1,000 per year;~~

~~(c) expenses of officers and employees of the association in connection with the protection of the fund; and~~

~~(d) all expenses of operating and maintaining the association administrative expenses authorized by Minnesota Statutes, section 69.80.~~

Sec. 20. Laws 1977, chapter 275, section 1, is amended by adding a subdivision to read:

Subd. 1a. [POSTRETIREMENT ADJUSTMENT.] *A member who retires or who has retired from the Crookston police department and who receives or will receive a service pension from the relief association shall receive an annual automatic postretirement adjustment upon attaining the age of 55 years or on January 1 following the effective date of this subdivision, whichever occurs later. The adjustment shall be determined by the board of trustees on or before December 1 annually and shall accrue each year as of the January 1 following determination. The adjustment shall be first payable with the service pension payment made for January. Each adjustment shall be based on the percentage increase in the salary payable to a top grade patrol officer during the prior year. The percentage increase in the salary shall be applied to the amount of service pension payable to the member for the month immediately prior to the month in which the determination is made. The percentage increase shall not exceed 3.5 percent in any year and any increase in the salary of a top grade patrol officer in excess of 3.5 percent shall not carry over to or be used to calculate the increase for a retired member in any succeeding year.*

Sec. 21. [RAMSEY COUNTY; PUBLIC EMPLOYEES' RETIREMENT BENEFITS FOR SHERIFF'S PERSONNEL.]

An employee of the Ramsey county sheriff's department in the position of

radio dispatcher, who is a member of the public employees police and fire fund and who was employed by the department before January 1, 1970 in a position that becomes covered by the police and fire fund membership after December 31, 1969 may receive allowable service credit in the police and fire fund for prior service by paying into the fund before December 31, 1984, the difference between the employee, employer and employer additional contributions actually paid, and the employee, employer and employer additional contributions that would have been paid under applicable law if the employee had been in the police and fire fund before January 1, 1970, together with six percent compound interest from the time the deductions would have been made to time of payment. If an employee makes payment in accord with this section, allowable service credit in the general fund with respect to this prior service is eliminated and the executive director shall transfer the employee's account with respect to this service from the general to the police and fire fund. Ramsey county may assume the obligation for additional payments, with interest, with respect to each employee who elects to pay the employee contributions and interest authorized by this section.

Sec. 22. [PURCHASE OF SERVICE CREDIT.]

Notwithstanding any law to the contrary, a former employee of the senate, who was also employed by the city of Saint Paul, may purchase prior service credit from the Minnesota state retirement system for the periods of employment by the senate between January 1, 1971, and December 31, 1974.

The provisions of Laws 1982, chapter 578, article II, section 2, shall govern the amounts and manner of payment for the purchase of service credit.

Sec. 23. [DISABILITY OPTION BENEFIT.]

Notwithstanding the requirements of Minnesota Statutes, chapter 352, the surviving spouse of a deceased member of the Minnesota state retirement system who filed an application for a survivor's disability option benefit, but who died before the date the disability benefit became payable and who has not taken a refund of the retirement contributions shall be paid the joint and survivor's disability option benefit selected, computed according to Minnesota Statutes, section 352.113, subdivision 3, commencing within 60 days of the effective date of this act and retroactive to the date of death.

Sec. 24. [ANNUITIES OF CERTAIN MILITARY AFFAIRS DEPARTMENT PERSONNEL.]

Any employee covered under the provisions of Minnesota Statutes, section 352.85, providing special retirement coverage for military affairs department personnel, who attained the age of 60 after February 1, 1983, and who terminates covered employment prior to the effective date of this act shall be entitled, upon application, to a retirement annuity computed in accordance with section 352.115, subdivisions 2 and 3, without any reduction for early retirement pursuant to section 352.116, subdivision 1; provided, however, that any additional employee and employer contributions required by section 352.85, subdivision 3, to finance this special retirement coverage which were not paid during the period of coverage under the plan must be paid prior to receiving an annuity.

Sec. 25. [PURCHASE OF PRIOR SERVICE CREDIT.]

Subdivision 1. Notwithstanding any law to the contrary, a person who was

employed by the St. Paul bureau of health from October 1948 to June 1955, including time spent on leave of absence for military service, and who contributed to the bureau of health retirement plan from April 1949 to April 1953, and who was reemployed by the city of St. Paul in the department of community services, division of public health on October 18, 1971, may purchase service credit for the period from October 1948 to June 1955 from the public employees retirement association for which that person has not previously received service credit.

Subd. 2. The provisions of Laws 1982, chapter 578, article II, section 2, shall govern the amount and manner of payment for the purchase of service credit authorized by subdivision 1, except that the authority to make a lump sum payment or to make an agreement to make installments expires July 1, 1984.

Sec. 26. [OWATONNA CITY HOSPITAL EMPLOYEES.]

Subdivision 1. [REFUND OF CONTRIBUTIONS.] A member of the public employees retirement association who was employed by the Owatonna city hospital on the date the hospital was taken over by a private corporation or organization shall be paid a refund of accumulated employee and employer contributions made by or on behalf of the employee to the association, plus interest thereon at the rate of six percent per annum. If an employee has previously received a refund of employee contributions, only the employer contributions plus the total interest shall be refunded.

Subd. 2. [DEFERRED ANNUITY.] If an employee described in subdivision 1 had at least five years of allowable service credit, the employee may elect to receive, in lieu of the refund, a deferred annuity pursuant to Minnesota Statutes, section 353.34, subdivision 3, notwithstanding the length of service requirements contained therein. An employee eligible for a deferred annuity who has previously received a refund of employee contributions may reinstate his or her eligibility for a deferred annuity by repaying the amount refunded, including any interest received, to the association.

Sec. 27. [ST. PAUL BUREAU OF HEALTH PERSONNEL.]

An employee of the St. Paul bureau of health who exercised the option to retire with benefits calculated pursuant to the law governing bureau of health pensions as authorized by Laws 1973, chapter 767, section 4, may, within 60 days after the effective date of this section, revoke the option by giving notice of revocation to the executive director of the public employees retirement association. Effective upon the giving of notice, the employee shall receive service credit in the basic plan of the public employees retirement association as if the employee had been a member of the association during the employee's entire period of service with the bureau of health.

Sec. 28. [WEST ST. PAUL FIREFIGHTER'S BYLAW AMENDMENT.]

The West St. Paul Firefighter's Relief Association may amend Article XIX of their bylaws to reduce from three years to one year the period of marriage required in order to qualify a surviving spouse for survivor benefits.

Sec. 29. [AMENDMENT OF ARTICLES.]

In accordance with the provisions of Minnesota Statutes, section 354A.12, subdivision 4, approval is hereby granted for an amendment to the articles of

incorporation of the Minneapolis Teachers' Retirement Fund Association with respect to lump sum post retirement adjustments payable to retirees or beneficiaries. The amendment may reduce from five to three years the minimum period during which a recipient must have been receiving an annuity or benefits in order to be eligible for an adjustment, increase from one-half of one percent to one percent the percentage of the asset value of the fund available for distribution, and to give the board of trustees discretion to reduce or eliminate the post retirement adjustment in any fiscal year or set an eligibility period longer than three years as a prerequisite to eligibility for an adjustment.

Sec. 30. [TRANSFER OF FUNDS.]

An amount equal to one-fourth of one percent of the salary of each member electing to participate in the variable annuity division pursuant to Minnesota Statutes, section 354.62, subdivision 2, which salary was paid during the period from July 1, 1979, through June 30, 1984, plus interest which would have been earned if the contributions would have been credited to the member's variable account, shall be transferred to the variable annuity division and credited to the appropriate participating member's account on June 30, 1984.

Sec. 31. [REPEALER.]

Laws 1971, chapter 184; Laws 1973, chapter 283; Laws 1978, chapter 617; Laws 1981, chapter 224, sections 255 and 256; Laws 1982, chapter 578, article II, section 1, subdivision 7, and section 3, are repealed.

Sec. 32. [EFFECTIVE DATE.]

Section 11 is effective retroactively to July 1, 1981. Section 23 is effective for deaths occurring after July 1, 1982. Section 7 is effective retroactively to June 30, 1983. Sections 8 and 30 are effective July 1, 1984. Sections 13, 14, 15, 16, 17, 19, 20, 21, and 28 are effective upon approval by the appropriate governing body and compliance with Minnesota Statutes, section 645.021. In the case of section 18, the appropriate governing body is the Red Wing city council. The remaining sections are effective the day following final enactment. Sections 26 and 27 are effective the day following final enactment. Refunds shall be paid or options exercised and repayments of refunds made pursuant to section 26 prior to July 1, 1984."

Delete the title and insert:

"A bill for an act relating to retirement; altering the investment authority for police and firefighter's relief associations; making various changes in the benefits for various retirement funds and plans; making conforming changes in benefit calculations; amending Minnesota Statutes 1982, sections 69.775; 352.113, subdivision 3; 352D.02, by adding a subdivision; 353.34, by adding a subdivision; 354.62, subdivision 2; 422A.18, subdivision 3; and 424.24, subdivision 2; Minnesota Statutes 1983 Supplement, sections 69.77, subdivision 2; 352.113, subdivision 2; 352.115, subdivision 8; and 356.61; Laws 1947, chapter 43, section 23, as amended; Laws 1963, chapter 643, section 20; Laws 1973, chapters 359, section 5, subdivision 2; and 432, section 4; Laws 1977, chapter 275, section 1; and Laws 1981, chapter 68, section 43; proposing new law coded in Minnesota Statutes, chapter 423A; repealing Laws 1971, chapter 184; Laws 1973, chapter 283; Laws 1978,

chapter 617; Laws 1981, chapter 224, sections 255 and 256; Laws 1982, chapter 578, article II, section 1, subdivision 7, and section 3."

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

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

S.F. No. 2029: A bill for an act relating to state government; establishing the world trade center board and fixing its duties; transferring functions from the department of agriculture; amending Minnesota Statutes 1982, section 17.03, by adding a subdivision; proposing new law coded as Minnesota Statutes, chapter 44A; repealing Minnesota Statutes 1983 Supplement, section 17.106.

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

Page 1, line 25, delete "11" and insert "nine"

Page 2, line 4, delete "who are not legislators" and delete "initially"

Page 2, line 6, delete "Thereafter,"

Page 2, delete line 7

Page 2, line 8, delete everything before "A"

Page 2, delete lines 10 to 19

Page 2, line 22, delete "who are not legislators"

Page 2, delete lines 24 and 25

Page 2, line 33, delete "without" and insert "within the limit set by sections 15A.081, subdivision 1, and"

Page 2, line 34, delete "regard to section"

Page 3, line 2, delete "7" and insert "8"

Page 3, line 5, before "employees" insert "unclassified"

Page 3, line 9, after the period, insert "All employees are in the state unclassified employees retirement program under chapter 352D."

Page 3, after line 24, insert:

"Sec. 7. [44A.07] [WORLD TRADE CENTER COSTS.]

If a world trade center project of the kind contemplated by Laws 1983, chapter 301, section 29, is carried out, the participation of the state government is limited as provided in this section.

(a) The state shall not own space in the center.

(b) The state shall not rent more than ten percent of the gross space in the center.

(c) The state shall not incur debt to assist the project.

(d) The state shall not provide a special property tax classification that

would give the center a more favorable property tax treatment than other office buildings.”

Pages 4 and 5, delete sections 8 to 10 and insert:

“Sec. 9. [TRANSITION.]

All money appropriated to the department of agriculture for the world trade center council shall be transferred to the world trade center board created by this act, and is appropriated to the board for board purposes. The complement of the department of agriculture is reduced as follows: by three positions, effective July 1, 1984; by three positions, effective January 1, 1985; and by three positions effective July 1, 1985.

Sec. 10. Minnesota Statutes 1983 Supplement, section 352D.02, subdivision 1, is amended to read:

Subdivision 1. [~~COVERED EMPLOYEES COVERAGE.~~] The following employees, if they are in the unclassified service of the state and are eligible for coverage under the Minnesota state retirement system, shall participate in the unclassified program unless an employee gives notice to the executive director of the state retirement system within one year following the commencement of employment in the unclassified service that the employee desires coverage under the regular employee plan. For the purposes of this chapter, an employee who does not file notice with the executive director shall be deemed to have exercised the option to participate in the unclassified plan.

(1) Any employee in the office of the governor, lieutenant governor, secretary of state, state auditor, state treasurer, attorney general or the state board of investment,

(2) The head of any department, division, or agency created by statute in the unclassified service, an acting department head subsequently appointed to the position, or any employee enumerated in sections 15A.081, subdivision 1 or 15A.083, subdivision 4,

(3) Any permanent, full-time unclassified employee of the legislature or any commission or agency of the legislature or a temporary legislative employee having shares in the supplemental retirement fund as a result of former employment covered by this chapter, whether or not eligible for coverage under the Minnesota state retirement system,

(4) Any person employed in a position established pursuant to section 43A.08, subdivision 1, clause (c), or subdivision 1a or in a position authorized under a statute creating or establishing a department or agency of the state, which is at the deputy or assistant head of department or agency or director level,

(5) The chairman, chief administrator, and not to exceed nine positions at the division director or administrative deputy level of the metropolitan waste control commission as designated by the commission, and the chairman, executive director, and not to exceed nine positions at the division director or administrative deputy level of the metropolitan council as designated by the council; provided that upon initial designation of all positions provided for in this clause, no further designations or redesignations shall be made without approval of the board of directors of the Minnesota state retirement system,

(6) The executive director, associate executive director, and not to exceed nine positions of the higher education coordinating board in the unclassified service, as designated by the higher education coordinating board; provided that upon initial designation of all positions provided for in this clause, no further designations or redesignations shall be made without approval of the board of directors of the Minnesota state retirement system,

(7) The clerk of the appellate courts appointed pursuant to Article VI, Section 2, of the Constitution of the state of Minnesota,

(8) The chief executive officers of correctional facilities operated by the department of corrections and of hospitals and nursing homes operated by the department of welfare, and

(9) Any employee whose principal employment is at the state ceremonial house, and

(10) Any employee of the world trade center board."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, delete "transferring" and insert "limiting state participation;"

Page 1, line 4, delete everything before "amending"

Page 1, line 5, delete everything after "Statutes" and insert "1983 Supplement, section 352D.02,"

Page 1, line 6, after "subdivision" insert "1"

Page 1, line 7, delete everything after "44A"

Page 1, line 8, delete everything before the period

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

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

S.F. No. 2084: A bill for an act relating to government operations; regulating public employee leave of absences; providing for task force member's compensation; providing for civil service exams for handicapped persons; authorizing the commissioner of employee relations to negotiate insurance premium rates; providing for appeals of disciplinary actions; providing for unclassified positions; amending Minnesota Statutes 1982, sections 15.014, subdivision 2; 15.0593; 43A.08, subdivision 1; 43A.33, subdivisions 1 and 3; Minnesota Statutes 1983 Supplement, sections 43A.08, subdivision 1a; 43A.10, subdivision 8; 43A.23, subdivision 1; and 116L.03, subdivision 6; repealing Minnesota Statutes 1982, section 15.62.

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

Page 6, line 4, delete the second "for" and insert "in"

Page 6, line 15, delete the comma

Page 9, delete section 10 and insert:

“Sec. 10. Minnesota Statutes 1983 Supplement, section 309.501, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] As used in this section, the following terms have the meanings given them.

“Registered combined charitable organization” means an organization

(1) which is tax exempt under section 501(c)3 of the Internal Revenue Code of 1954, as amended through December 31, 1980 (hereinafter “Internal Revenue Code”), and to which contributions are deductible under section 170 of the Internal Revenue Code;

(2) which secures funds for distribution to ten or more charitable agencies in a single, annual consolidated effort;

(3) which is governed by a voluntary board of directors which represents the broad interests of the public;

(4) which distributes at least 70 percent of its total ~~collected~~ campaign income and revenue to the designated agencies it supports and expends no more than 30 percent of its total campaign income and revenue for management and general costs and fund raising costs;

(5) and each designated agency supported by the recipient institution devotes substantially all of its activities directly to providing health, welfare, social, or other human services to individuals;

(6) and each designated agency supported by the recipient institution provides health, welfare, social, or other human services, in the community and surrounding area in which the recipient institution’s fund drive takes place; and

(7) which has been registered with the commissioner of securities and real estate in the department of commerce in accordance with this section.

“Campaign income” means income from the single, annual consolidated effort received by the charitable agency for distribution.

“Charitable agency” means a governmental agency or an organization (1) which is tax exempt under section 501(c)3 of the Internal Revenue Code; (2) to which contributions are deductible under section 170 of the Internal Revenue Code; and (3) which is in compliance with the provisions of this chapter.

Sec. 11. Minnesota Statutes 1982, section 15.62, subdivision 2, is amended to read:

Subd. 2. A public employee who qualifies as a member of the United States Olympic team for athletic competition ~~on the world, Pan American or olympic level, in a sport contested in either Pan American or olympic competitions in a sport sanctioned by the International Olympic Committee~~, shall be granted a leave of absence without loss of pay or other benefits or rights for the purpose of preparing for and engaging in the competition. In no event shall the paid leave under this section exceed the period of the official Olympic training camp and Olympic competition combined or 90 calendar days ~~a in an Olympic year, whichever is less.~~”

Amend the title as follows:

Page 1, line 9, after the semicolon, insert "changing the definition of registered combined charitable organization;"

Page 1, line 10, after "15.0593;" insert "15.62, subdivision 2;"

Page 1, line 13, delete "and"

Page 1, line 14, delete everything after the semicolon and insert "and 309.501, subdivision 1."

Page 1, delete line 15

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

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

S.F. No. 1736: A bill for an act relating to education; creating the Minnesota educational computing corporation as a public corporation; transferring assets of the Minnesota educational computing consortium to the corporation; amending Minnesota Statutes 1983 Supplement, section 3.732, subdivision 1; 10A.01, subdivision 18; 15A.081, subdivision 1; 135A.07, subdivision 2; and proposing new law coded as Minnesota Statutes, chapter 119; repealing Minnesota Statutes 1982, section 120.83; Minnesota Statutes 1983 Supplement, sections 120.801; 120.802; 120.803; 120.804; 120.805; 120.806; and 120.81.

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

Pages 1 and 2, delete section 1

Page 2, line 23, delete "3" and insert "2"

Page 2, line 27, delete everything before the period and insert "*to provide cost-effective computing and technology related products and services to the educational programs of educational institutions and agencies*"

Page 3, line 9, delete "1" and insert "2"

Page 3, line 16, after "MECC" insert "*within the limits established for the commissioner of finance in section 15A.081, subdivision 1*"

Page 3, line 19, after "power" insert "*to form a subsidiary or*"

Page 3, line 29, delete "1" and insert "2"

Page 4, line 3, after the period, insert "*MECC shall annually report to the legislative commission on employee relations regarding its personnel structure, compensation plans, and all other issues related to its employees.*"

Page 4, delete line 13

Page 4, line 14, delete "*system, and the*"

Page 4, line 17, after the period, insert "*For a period of 90 days after the effective date of this section, employees of the consortium who are members of the Minnesota state retirement system or the teachers retirement associa-*

tion shall be entitled to transfer their accumulated employer and employee contributions, not including interest, from those funds to the state unclassified employees retirement program under chapter 352D. For purposes of coverage under section 352D.02, subdivision 1, MECC employees transferring under this section shall be considered to be unclassified employees of the state."

Page 9, after line 21, insert:

"Sec. 13. Minnesota Statutes 1983 Supplement, section 352D.02, subdivision 1, is amended to read:

Subdivision 1. [COVERED EMPLOYEES.] The following employees, if they are in the unclassified service of the state and are eligible for coverage under the Minnesota state retirement system, shall participate in the unclassified program unless an employee gives notice to the executive director of the state retirement system within one year following the commencement of employment in the unclassified service that the employee desires coverage under the regular employee plan. For the purposes of this chapter, an employee who does not file notice with the executive director shall be deemed to have exercised the option to participate in the unclassified plan.

(1) Any employee in the office of the governor, lieutenant governor, secretary of state, state auditor, state treasurer, attorney general or the state board of investment,

(2) The head of any department, division, or agency created by statute in the unclassified service, an acting department head subsequently appointed to the position, or any employee enumerated in sections 15A.081, subdivision 1 or 15A.083, subdivision 4,

(3) Any permanent, full-time unclassified employee of the legislature or any commission or agency of the legislature or a temporary legislative employee having shares in the supplemental retirement fund as a result of former employment covered by this chapter, whether or not eligible for coverage under the Minnesota state retirement system,

(4) Any person employed in a position established pursuant to section 43A.08, subdivision 1, clause (c), or subdivision 1a or in a position authorized under a statute creating or establishing a department or agency of the state, which is at the deputy or assistant head of department or agency or director level,

(5) The chairman, chief administrator, and not to exceed nine positions at the division director or administrative deputy level of the metropolitan waste control commission as designated by the commission, and the chairman, executive director, and not to exceed nine positions at the division director or administrative deputy level of the metropolitan council as designated by the council; provided that upon initial designation of all positions provided for in this clause, no further designations or redesignations shall be made without approval of the board of directors of the Minnesota state retirement system,

(6) The executive director, associate executive director, and not to exceed nine positions of the higher education coordinating board in the unclassified service, as designated by the higher education coordinating board; provided that upon initial designation of all positions provided for in this clause, no

further designations or redesignations shall be made without approval of the board of directors of the Minnesota state retirement system,

(7) The clerk of the appellate courts appointed pursuant to Article VI, Section 2, of the Constitution of the state of Minnesota,

(8) The chief executive officers of correctional facilities operated by the department of corrections and of hospitals and nursing homes operated by the department of welfare, and

(9) Any employee whose principal employment is at the state ceremonial house, and

(10) Employees of the Minnesota educational computing corporation."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 8, after "2;" insert "352D.02, subdivision 1;"

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

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

H.F. No. 1216: A bill for an act relating to taxation; exempting petroleum products used in certain improvements to agricultural land for purposes of the sales tax; prohibiting certain retroactive imposition of tax, penalty, and interest; amending Minnesota Statutes 1982, section 297A.25, subdivision 1.

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

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

S.F. No. 396: A bill for an act relating to taxation; extending Class 3 property to certain property owned by certain fraternal beneficiary societies or associations for community service; amending Minnesota Statutes 1982, section 273.13, subdivision 4.

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 1983 Supplement, section 273.13, subdivision 4, is amended to read:

Subd. 4. [CLASS 3.] (a) Tools, implements and machinery of an electric generating, transmission or distribution system or a pipeline system transporting or distributing water, gas, or petroleum products or mains and pipes used in the distribution of steam or hot or chilled water for heating or cooling buildings, which are fixtures, all agricultural land, except as provided by classes 1, 3b, 3e, shall constitute class 3 and shall be valued and assessed at 33-1/3 percent of the market value thereof, except as provided in clause (b). All buildings and structures assessed as personal property and situated upon

land of the state of Minnesota or the United States government which is rural in character and devoted or adaptable to rural but not necessarily agricultural use shall be assessed based upon the use made of the building or structure. Except as provided in subdivision 5a, all real property devoted to temporary and seasonal residential occupancy for recreational purposes, and which is not devoted to commercial purposes for more than 200 days in the year preceding the year of assessment, shall be class 3 property and assessed accordingly. For this purpose, property is devoted to commercial use on a specific day if it is used, or offered for use, and a fee is charged for such use. Class 3 shall also include commercial use real property used exclusively for recreational purposes in conjunction with class 3 property devoted to temporary and seasonal residential occupancy for recreational purposes, up to a total of two acres, provided the property is not devoted to commercial recreational use for more than 200 days in the year preceding the year of assessment and is located within two miles of the class 3 property with which it is used. *If approved by the governing body of the home rule or statutory city or town in which the property is located, class 3 shall also include real property up to a total of one acre owned by a fraternal beneficiary society or an association for community service; provided that any portion of the property that is used as an on-sale liquor establishment licensed under chapter 340, a restaurant open to the public, a retail store, an insurance business, or office or other space leased or rented for periods of one month or more to a lessee who conducts a for-profit enterprise on the premises, shall be assessed as class 4c property.*

(b) Agricultural land which is classified as class 3 shall be assessed at 19 percent of its market value. Real property devoted to temporary and seasonal residential occupancy for recreation purposes which is classified as class 3 shall be assessed at 21 percent of its market value. *Real property owned by fraternal beneficiary societies or associations for community services which is classified as class 3 shall be assessed at 21 percent of its market value.*

Sec. 2. Minnesota Statutes 1983 Supplement, section 297A.25, subdivision 1, is amended to read:

Subdivision 1. The following are specifically exempted from the taxes imposed by sections 297A.01 to 297A.44:

(a) The gross receipts from the sale of food products including but not limited to cereal and cereal products, butter, cheese, milk and milk products, oleomargarine, meat and meat products, fish and fish products, eggs and egg products, vegetables and vegetable products, fruit and fruit products, spices and salt, sugar and sugar products, coffee and coffee substitutes, tea, cocoa and cocoa products, and food products which are not taxable pursuant to section 297A.01, subdivision 3, clause (c) and which are sold by a retailer, organized as a nonprofit corporation or association, within a place located on property owned by the state or an agency or instrumentality of the state, the entrance to which is subject to an admission charge. This exemption does not include the following:

(i) candy and candy products *except when sold for fundraising purposes by a nonprofit organization that provides educational and social activities for young people primarily aged 18 and under;*

(ii) carbonated beverages, beverages commonly referred to as soft drinks

containing less than 15 percent fruit juice, or bottled water other than non-carbonated and noneffervescent bottled water sold in individual containers of one-half gallon or more in size;

(b) The gross receipts from the sale of prescribed drugs and medicine intended for use, internal or external, in the cure, mitigation, treatment or prevention of illness or disease in human beings and products consumed by humans for the preservation of health, including prescription glasses, therapeutic and prosthetic devices, but not including cosmetics or toilet articles notwithstanding the presence of medicinal ingredients therein;

(c) The gross receipts from the sale of and the storage, use or other consumption in Minnesota of tangible personal property, tickets, or admissions, electricity, gas, or local exchange telephone service, which under the Constitution or laws of the United States or under the Constitution of Minnesota, the state of Minnesota is prohibited from taxing;

(d) The gross receipts from the sale of tangible personal property (i) which, without intermediate use, is shipped or transported outside Minnesota by the purchaser and thereafter used in a trade or business or is stored, processed, fabricated or manufactured into, attached to or incorporated into other tangible personal property transported or shipped outside Minnesota and thereafter used in a trade or business outside Minnesota, and which is not thereafter returned to a point within Minnesota, except in the course of interstate commerce (storage shall not constitute intermediate use); provided that the property is not subject to tax in that state or country to which it is transported for storage or use, or, if subject to tax in that other state, that state allows a similar exemption for property purchased therein and transported to Minnesota for use in this state; except that sales of tangible personal property that is shipped or transported for use outside Minnesota shall be taxed at the rate of the use tax imposed by the state to which the property is shipped or transported, unless that state has no use tax, in which case the sale shall be taxed at the rate generally imposed by this state; and provided further that sales of tangible personal property to be used in other states or countries as part of a maintenance contract shall be specifically exempt; or (ii) which the seller delivers to a common carrier for delivery outside Minnesota, places in the United States mail or parcel post directed to the purchaser outside Minnesota, or delivers to the purchaser outside Minnesota by means of the seller's own delivery vehicles, and which is not thereafter returned to a point within Minnesota, except in the course of interstate commerce;

(e) The gross receipts from the sale of packing materials used to pack and ship household goods, the ultimate destination of which is outside the state of Minnesota and which are not thereafter returned to a point within Minnesota, except in the course of interstate commerce;

(f) The gross receipts from the sale of and storage, use or consumption of petroleum products upon which a tax has been imposed under the provisions of chapter 296, whether or not any part of said tax may be subsequently refunded;

(g) The gross receipts from the sale of clothing and wearing apparel except the following:

(i) all articles commonly or commercially known as jewelry, whether real

or imitation; pearls, precious and semi-precious stones, and imitations thereof; articles made of, or ornamented, mounted or fitted with precious metals or imitations thereof; watches; clocks; cases and movements for watches and clocks; gold, gold-plated, silver, or sterling flatware or hollow ware and silver-plated hollow ware; opera glasses; lorgnettes; marine glasses; field glasses and binoculars.

(ii) articles made of fur on the hide or pelt, and articles of which such fur is the component material or chief value, but only if such value is more than three times the value of the next most valuable component material.

(iii) perfume, essences, extracts, toilet waters, cosmetics, petroleum jellies, hair oils, pomades, hair dressings, hair restoratives, hair dyes, aromatic cachous and toilet powders. The tax imposed by this act shall not apply to lotion, oil, powder, or other article intended to be used or applied only in the case of babies.

(iv) trunks, valises, traveling bags, suitcases, satchels, overnight bags, hat boxes for use by travelers, beach bags, bathing suit bags, brief cases made of leather or imitation leather, salesmen's sample and display cases, purses, handbags, pocketbooks, wallets, billfolds, card, pass, and key cases and toilet cases.

(h) The gross receipts from the sale of and the storage, use, or consumption of all materials, including chemicals, fuels, petroleum products, lubricants, packaging materials, including returnable containers used in packaging food and beverage products, feeds, seeds, fertilizers, electricity, gas and steam, used or consumed in agricultural or industrial production of personal property intended to be sold ultimately at retail, whether or not the item so used becomes an ingredient or constituent part of the property produced. Such production shall include, but is not limited to, research, development, design or production of any tangible personal property, manufacturing, processing (other than by restaurants and consumers) of agricultural products whether vegetable or animal, commercial fishing, refining, smelting, reducing, brewing, distilling, printing, mining, quarrying, lumbering, generating electricity and the production of road building materials. Such production shall not include painting, cleaning, repairing or similar processing of property except as part of the original manufacturing process. Machinery, equipment, implements, tools, accessories, appliances, contrivances, furniture and fixtures, used in such production and fuel, electricity, gas or steam used for space heating or lighting, are not included within this exemption; however, accessory tools, equipment and other short lived items, which are separate detachable units used in producing a direct effect upon the product, where such items have an ordinary useful life of less than 12 months, are included within the exemption provided herein;

(i) The gross receipts from the sale of and storage, use or other consumption in Minnesota of tangible personal property (except as provided in section 297A.14) which is used or consumed in producing any publication regularly issued at average intervals not exceeding three months, and any such publication. For purposes of this subsection, "publication" as used herein shall include, without limiting the foregoing, a legal newspaper as defined by Minnesota Statutes 1965, section 331.02, and any supplements or enclosures with or part of said newspaper; and the gross receipts of any advertising

contained therein or therewith shall be exempt. For this purpose, advertising in any such publication shall be deemed to be a service and not tangible personal property, and persons or their agents who publish or sell such newspapers shall be deemed to be engaging in a service with respect to gross receipts realized from such newsgathering or publishing activities by them, including the sale of advertising. The term "publication" shall not include magazines and periodicals sold over the counter. Machinery, equipment, implements, tools, accessories, appliances, contrivances, furniture and fixtures used in such publication and fuel, electricity, gas or steam used for space heating or lighting, are not exempt;

(j) The gross receipts from all sales, including sales in which title is retained by a seller or a vendor or is assigned to a third party under an installment sale or lease purchase agreement under section 465.71, of tangible personal property to, and all storage, use or consumption of such property by, the United States and its agencies and instrumentalities or a state and its agencies, instrumentalities and political subdivisions. Sales exempted by this clause include sales pursuant to section 297A.01, subdivision 3, clauses (d) and (f). This exemption shall not apply to building, construction or reconstruction materials purchased by a contractor or a subcontractor as a part of a lump-sum contract or similar type of contract with a guaranteed maximum price covering both labor and materials for use in the construction, alteration or repair of a building or facility. This exemption does not apply to construction materials purchased by tax exempt entities or their contractors to be used in constructing buildings or facilities which will not be used principally by the tax exempt entities;

(k) The gross receipts from the isolated or occasional sale of tangible personal property in Minnesota not made in the normal course of business of selling that kind of property, and the storage, use, or consumption of property acquired as a result of such a sale. For purposes of this clause, sales by a nonprofit organization shall be deemed to be "isolated or occasional" if they occur at sale events that have a duration of three or fewer consecutive days. The granting of the privilege of admission to places of amusement and the privilege of use of amusement devices by a nonprofit organization at an isolated or occasional event conducted on property owned or leased for a continuous period of more than 30 days by the nonprofit organization are also exempt. The exemption provided for isolated sales of tangible personal property and of the granting of admissions or the privilege of use of amusement devices by nonprofit organizations pursuant to this clause shall be available only if the sum of the days on which the organization and any subsidiary nonprofit organization sponsored by it that does not have a separate sales tax exemption permit conduct sales of tangible personal property, plus the days with respect to which the organization charges for the use of amusement devices or admission to places of amusement, does not exceed eight days in a calendar year. For purposes of this clause, a "nonprofit organization" means any corporation, society, association, foundation, or institution organized and operated exclusively for charitable, religious, or educational purposes, no part of the net earnings of which inures to the benefit of a private individual;

(l) The gross receipts from sales of rolling stock and the storage, use or other consumption of such property by railroads, freight line companies,

sleeping car companies and express companies taxed on the gross earnings basis in lieu of ad valorem taxes. For purposes of this clause "rolling stock" is defined as the portable or moving apparatus and machinery of any such company which moves on the road, and includes, but is not limited to, engines, cars, tenders, coaches, sleeping cars and parts necessary for the repair and maintenance of such rolling stock.

(m) The gross receipts from sales of airlift equipment and the storage, use or other consumption of such property by airline companies taxed under the provisions of sections 270.071 to 270.079. For purposes of this clause, "airlift equipment" includes airplanes and parts necessary for the repair and maintenance of such airlift equipment, and flight simulators.

(n) The gross receipts from the sale of telephone central office telephone equipment used in furnishing intrastate and interstate telephone service to the public.

(o) The gross receipts from the sale of and the storage, use or other consumption by persons taxed under the in lieu provisions of chapter 298, of mill liners, grinding rods and grinding balls which are substantially consumed in the production of taconite, the material of which primarily is added to and becomes a part of the material being processed.

(p) The gross receipts from the sale of tangible personal property to, and the storage, use or other consumption of such property by, any corporation, society, association, foundation, or institution organized and operated exclusively for charitable, religious or educational purposes if the property purchased is to be used in the performance of charitable, religious or educational functions, or any senior citizen group or association of groups that in general limits membership to persons age 55 or older and is organized and operated exclusively for pleasure, recreation and other nonprofit purposes, no part of the net earnings of which inures to the benefit of any private shareholders. Sales exempted by this clause include sales pursuant to section 297A.01, subdivision 3, clauses (d) and (f). This exemption shall not apply to building, construction or reconstruction materials purchased by a contractor or a subcontractor as a part of a lump-sum contract or similar type of contract with a guaranteed maximum price covering both labor and materials for use in the construction, alteration or repair of a building or facility. This exemption does not apply to construction materials purchased by tax exempt entities or their contractors to be used in constructing buildings or facilities which will not be used principally by the tax exempt entities;

(q) The gross receipts from the sale of caskets and burial vaults;

(r) The gross receipts from the sale of an automobile or other conveyance if the purchaser is assisted by a grant from the United States in accordance with 38 United States Code, section 1901, as amended.

(s) The gross receipts from the sale to the licensed aircraft dealer of an aircraft for which a commercial use permit has been issued pursuant to section 360.654, if the aircraft is resold while the permit is in effect.

(t) The gross receipts from the sale of building materials to be used in the construction or remodeling of a residence when the construction or remodeling is financed in whole or in part by the United States in accordance with 38 United States Code, sections 801 to 805, as amended. This exemption shall

not be effective at time of sale of the materials to contractors, subcontractors, builders or owners, but shall be applicable only upon a claim for refund to the commissioner of revenue filed by recipients of the benefits provided in title 38 United States Code, chapter 21, as amended. The commissioner shall provide by regulation for the refund of taxes paid on sales exempt in accordance with this paragraph.

(u) The gross receipts from the sale of textbooks which are prescribed for use in conjunction with a course of study in a public or private school, college, university and business or trade school to students who are regularly enrolled at such institutions. For purposes of this clause a "public school" is defined as one that furnishes course of study, enrollment and staff that meets standards of the state board of education and a private school is one which under the standards of the state board of education, provides an education substantially equivalent to that furnished at a public school. Business and trade schools shall mean such schools licensed pursuant to section 141.25.

(v) The gross receipts from the sale of and the storage of material designed to advertise and promote the sale of merchandise or services, which material is purchased and stored for the purpose of subsequently shipping or otherwise transferring outside the state by the purchaser for use thereafter solely outside the state of Minnesota.

(w) The gross receipt from the sale of residential heating fuels in the following manner:

(i) all fuel oil, coal, wood, steam, propane gas, and L.P. gas sold to residential customers for residential use;

(ii) natural gas sold for residential use to customers who are metered and billed as residential users and who use natural gas for their primary source of residential heat, for the billing months of November, December, January, February, March and April;

(iii) electricity sold for residential use to customers who are metered and billed as residential users and who use electricity for their primary source of residential heat, for the billing months of November, December, January, February, March and April.

(x) The gross receipts from the sale or use of tickets or admissions to the premises of or events sponsored by an association, corporation or other group of persons which provides an opportunity for citizens of the state to participate in the creation, performance or appreciation of the arts and which qualifies as a tax-exempt organization within the meaning of Minnesota Statutes 1980, section 290.05, subdivision 1, clause (i).

(y) The gross receipts from either the sales to or the storage, use or consumption of tangible personal property by an organization of military service veterans or an auxiliary unit of an organization of military service veterans, provided that:

(i) the organization or auxiliary unit is organized within the state of Minnesota and is exempt from federal taxation pursuant to section 501(c), clause (19), of the Internal Revenue Code as amended through December 31, 1982; and

(ii) the tangible personal property which is sold to or stored, used or con-

sumed by the organization or auxiliary unit is for charitable, civic, educational, or nonprofit uses and not for social, recreational, pleasure or profit uses.

(z) The gross receipts from the sale of sanitary napkins, tampons, or similar items used for feminine hygiene.

Sec. 3. [EFFECTIVE DATE.]

Section 1 is effective for taxes levied in 1984 and thereafter, payable in 1985 and thereafter."

Amend the title as follows:

Page 1, line 5, after the semicolon, insert "exempting sales of candy by nonprofit youth organizations from the sales tax;" and delete "1982, section" and insert "1983 Supplement, sections"

Page 1, line 6, after "4" insert "; and 297A.25, subdivision 1"

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

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

S.F. No. 1606: A bill for an act relating to taxation; authorizing use of proceeds of the taconite occupation tax for economic development grants and loans to local units of government; amending Minnesota Statutes 1982, section 298.17.

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

Page 1, line 11, strike "which shall become due and payable on"

Page 1, line 12, strike "May 1, 1924, and subsequent thereto, from" and insert "paid by"

Page 2, line 7, after "used" insert "(1)" and delete the new language

Page 2, line 8, delete the new language

Page 2, line 11, before the period, insert "*or (2) to provide economic development loans or grants to businesses located within any such county, provided that the county board or an advisory group appointed by the county board to provide recommendations on economic development shall make recommendations to the iron range resources and rehabilitation board regarding the loans*"

Page 2, line 13, strike " , beginning in 1981"

Amend the title as follows:

Page 1, delete line 4 and insert "loans and grants to businesses;"

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. 2001: A bill for an act relating to health; requiring the commissioner to study and report to the legislature on wellness promotional efforts; amending Minnesota Statutes 1982, section 144.05, by adding a subdivision.

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

Page 2, line 24, after "sector" insert "*including local boards of health,*"

Page 2, line 31, after "state" insert "*and local*"

Page 2, delete line 36 and insert:

"Sec. 2. [APPROPRIATION.]

There is appropriated \$50,000 from the general fund to the commissioner of health for purposes of this act.

Sec. 3. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

Page 3, delete lines 1 to 3

Amend the title as follows:

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

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

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

S.F. No. 2002: A bill for an act relating to health; requiring that hearing aid sellers give buyers a right to cancel their purchase; amending Minnesota Statutes 1982, section 145.43, by adding a subdivision; repealing Minnesota Statutes 1982, sections 145.43, subdivision 2; and 145.44.

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

Page 1, line 19, delete "*immediately upon*" and insert "*within 30 days of*"

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. 1907: A bill for an act relating to public welfare; setting eligibility criteria for community social services; appropriating money; amending Minnesota Statutes 1982, section 256E.03, subdivision 2.

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

Page 2, line 12, after "Parents" insert "*whose income is at or below 90*

percent of the state median income and"

Page 2, line 25, before the period, insert "*, subdivision 2*"

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. 1795: A bill for an act relating to public welfare; changing the formula for allocating federal title XX funds to counties; appropriating money; amending Minnesota Statutes 1982, section 256E.07, subdivision 1, and by adding subdivisions; repealing Minnesota Statutes 1982, section 256E.07, subdivision 3.

Reports the same back with the recommendation that 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. 2102: A bill for an act relating to health; providing counseling and educational services for sudden infant death syndrome families; requiring autopsies on victims of sudden infant death syndrome; requiring the report of sudden infant death to the registrar of vital statistics; amending Minnesota Statutes 1982, sections 144.06; 144.07; 144.222; and 390.11.

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

Pages 1 and 2, delete section 1

Page 3, line 14, delete "*or*" and insert a comma and after "*examiner*" insert "*, or personal physician*"

Page 3, line 16, delete "*The coroner or*"

Page 3, delete lines 17 to 19

Page 3, line 20, delete "*parents or guardian.*" and delete "*the*" and insert "*an*"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 7, delete "*144.06;*"

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. 2144: A bill for an act relating to public welfare; authorizing the commissioner of public welfare to establish a special revenue account; expanding the commissioner's duties; appropriating money; amending Minne-

sota Statutes 1983 Supplement, section 256.01, subdivision 2.

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

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

S.F. No. 2078: A bill for an act relating to certain counties; providing for changes in the administration of county nursing homes; authorizing the establishment of facilities for the provision of supportive services; amending Minnesota Statutes 1982, sections 376.55; 376.56; 376.57; 376.58; 376.59; and 376.60; repealing Minnesota Statutes 1982, sections 376.573; 376.61; 376.62; 376.63; 376.64; 376.65; and 376.66.

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

Pages 3 and 4, delete section 2 and insert:

“Sec. 2. Minnesota Statutes 1982, section 376.56, is amended to read:

[376.56] [TAX ~~LEVY~~ LEVIES AND BONDS.]

Subdivision 1. The county board of any county establishing or participating in establishing a nursing home, under the authority granted in section 376.55, shall may annually levy a tax in such the amount as is necessary to defray all or its proportion of the net costs of maintenance and operation of such the nursing home after taking into consideration payments received for care of patients residents, and in addition thereto a tax to repay the cost of acquiring such nursing home, and for the retirement of bonds issued for, establishing, equipping, furnishing, enlarging, or adding to a county nursing home, and to pay the principal of and interest on general obligation bonds issued by it for that purpose.

Subd. 2. The proceeds of taxes for costs of maintenance and operation shall be paid by the county by which they are collected into a county nursing home fund, which, in the case of counties operating jointly, shall be kept in the treasury of the county in which the nursing home is located and shall be expended therefrom as provided in sections 376.55 to 376.66.

Subd. 3. Any Bonds issued under the authority of sections 376.55 to 376.66 shall be known as county nursing home bonds and shall section 376.55, subdivision 3, may be general obligations of the county and shall may be issued and sold, and tax levies taxes levied for the their payment thereof made in accordance with the provisions of sections 475.53 to 475.72 and acts amendatory thereof and supplementary thereto chapter 475. No election shall be required to authorize the issuance of such bonds for the purpose of improving, remodeling, or replacing an existing nursing home without increase of the number of accommodations for residents. The revenues of the nursing home shall also be pledged for the payment of the bonds and interest and premium, if any, thereon. A portion of the proceeds may be deposited in the debt service fund for the issue, to capitalize interest and create a reserve for the purpose of reducing or eliminating the tax otherwise required by section 475.61 to be levied before issuing the bonds. The remaining proceeds from the sale of these the bonds and any surplus funds transferred pursuant to the

~~provisions of section 376.55, subdivision 3 shall be credited to and deposited in the county nursing home building fund by the county auditor and deposited to the credit of such fund by the county treasurer of the county in which the nursing home is located.~~

Subd. 4. The county treasurer of the county in which the nursing home is located shall make payments out of the county nursing home fund and county nursing home building fund on properly authenticated vouchers of the county nursing home administrative board, as in sections 376.55 to 376.66 provided in sections 376.58 and 376.59. The county treasurer of each county issuing general obligation bonds pursuant to subdivision 3 shall pay such bonds and interest thereon from the county's debt service fund and shall be the custodian of net revenues transmitted by the administrative board for the payment of such bonds."

Page 6, line 28, after the period, insert "*The county nursing home administrative board may authorize a sum to pay incidental expenses of the nursing home in accordance with the provisions of section 375.16.*"

Page 7, line 15, after the period, insert "*The fiscal year for the nursing home, and the facility for supportive services if it is appropriate, shall be the reporting year designated by the commissioner of public welfare.*"

Amend the title as follows:

Page 1, line 3, after "homes" insert "and the issuance of general obligation bonds for such homes"

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. 1877 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.
				1877	1934

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1877 be amended as follows:

Page 1, line 23, delete "The" and insert "A"

Page 1, line 23, after "zone" insert "*which is located in a city of the third or fourth class*"

Page 3, line 11, after "reservation" insert "*; except that, in the case of two or more cities seeking designation of an enterprise zone under a joint exercise of power pursuant to section 471.59, the minimum population required by this provision shall not exceed the sum of the populations of those cities*"

Page 4, line 20, strike "103(b)(6)(0)" and insert " 103(b)(0)(ii)"

Page 7, line 11, delete "shall" and insert "may"

Page 8, after line 11, insert

"Sec. 7. Minnesota Statutes 1983 Supplement, section 273.1314, subdivision 7, is amended to read:

Subd. 7. [LIMITATIONS; NUMBER OF DESIGNATIONS.] (a) In each of the years 1983 and 1984, the commissioner shall designate at least two but not more than five areas as enterprise zones. No designations shall be made after December 31, 1984.

(b) No more than one area may be designated as an enterprise zone in any county, except that two areas may be designated in a county containing a city of the first class.

(c) No more than ~~one area~~ *two areas* in a congressional district may be designated as an enterprise zone in ~~any calendar year~~ *1984*.

This subdivision shall not apply to enterprise zones designated pursuant to section 273.1312, subdivision 4, paragraph (c), clause (2) or (3)."

Page 10, line 24, after "zone." insert "*Notwithstanding paragraph (d), the credits provided by this paragraph may be provided to the businesses described in section 103(b)(6)(0)(i) of the Internal Revenue Code of 1954, as amended through December 31, 1983.*"

Page 11, line 17, after "8." insert "*Any amount repaid to the municipality must be used by the municipality for economic development purposes.*"

Page 11, line 22, after "or" delete "*a designated area under*" and insert "*of an area or areas designated pursuant to section 273.1314,*"

Page 11, line 23, after "time." insert "*Boundaries of a zone may not be amended to create noncontiguous subdivisions.*"

Page 12, line 1, after "the" insert "*calendar*"

Renumber the sections in sequence

Amend the title as follows

Page 1, line 8, after "6," insert "7,"

And when so amended H.F. No. 1877 will be identical to S.F. No. 1934, and further recommends that H.F. No. 1877 be given its second reading and substituted for S.F. No. 1934, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1944 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
		1944	1827		

and that the above Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1032 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.
1032	1000				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1032 be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1982, section 429.011, subdivision 2a, is amended to read:

Subd. 2a. “Municipality” also includes a county in the case of construction, reconstruction or improvement of a county state-aid highway or county highway as defined in section 160.02 including curbs and gutters and storm sewers ~~outside of the boundaries of any city~~ and includes a county exercising its powers and duties under section 444.075, subdivision 1.

Sec. 2. Minnesota Statutes 1982, section 429.061, subdivision 1, is amended to read:

Subdivision 1. [CALCULATION, NOTICE.] At any time after the expense incurred or to be incurred in making an improvement shall be calculated under the direction of the council, the council shall determine by resolution the amount of the total expense the municipality will pay, other than the amount, if any, which it will pay as a property owner, and the amount to be assessed. *If a county proposes to assess within the boundaries of a city for a county state-aid highway or county highway, the resolution must include the portion of the cost proposed to be assessed within the city. The county shall forward the resolution to the city and it may not proceed with the assessment procedure under this section for property within the city unless the city council adopts a resolution approving the assessment.* Thereupon the clerk, with the assistance of the engineer or other qualified person selected by the council, shall calculate the proper amount to be specially assessed for the improvement against every assessable lot, piece or parcel of land, without regard to cash valuation, in accordance with the provisions of section 429.051. The proposed assessment roll shall be filed with the clerk and be open to public inspection. The clerk shall thereupon, under the council's direction, publish notice that the council will meet to consider the proposed assessment. Such notice shall be published in the newspaper at least once and shall be mailed to the owner of each parcel described in the assessment roll. For the purpose of giving mailed notice under this subdivision, owners shall be those shown to be such on the records of the county auditor or, in any county where tax statements are mailed by the county treasurer, on the rec-

ords of the county treasurer; but other appropriate records may be used for this purpose. Such publication and mailing shall be no less than two weeks prior to such meeting of the council. Except as to the owners of tax exempt property or property taxes on a gross earnings basis, every property owner whose name does not appear on the records of the county auditor or the county treasurer shall be deemed to have waived such mailed notice unless he has requested in writing that the county auditor or county treasurer, as the case may be, include his name on the records for such purpose. Such notice shall state the date, time, and place of such meeting, the general nature of the improvement, the area proposed to be assessed, that the proposed assessment roll is on the file with the clerk, and that written or oral objections thereto by any property owner will be considered. No appeal may be taken as to the amount of any assessment adopted pursuant to subdivision 2, unless a written objection signed by the affected property owner is filed with the municipal clerk prior to the assessment hearing or presented to the presiding officer at the hearing. The notice shall also state that an owner may appeal an assessment to district court pursuant to section 429.081 by serving notice of the appeal upon the mayor or clerk of the municipality within 30 days after the adoption of the assessment and filing such notice with the district court within ten days after service upon the mayor or clerk. The notice shall also inform property owners of the provisions of sections 435.193 to 435.195 and the existence of any deferment procedure established pursuant thereto in the municipality."

Delete the title and insert:

"A bill for an act relating to local improvements; permitting counties to assess for highway improvements within cities; amending Minnesota Statutes 1982, sections 429.011, subdivision 2a; and 429.061, subdivision 1."

And when so amended H.F. No. 1032 will be identical to S.F. No. 1000, and further recommends that H.F. No. 1032 be given its second reading and substituted for S.F. No. 1000, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1999 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.
1999	1660				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1999 be amended as follows:

Amend the title as follows:

Page 1, delete lines 3 to 5 and insert "application of the energy conserva-

tion program to all structures containing dwelling units”

Page 1, line 6, delete “purpose”

And when so amended H.F. No. 1999 will be identical to S.F. No. 1660, and further recommends that H.F. No. 1999 be given its second reading and substituted for S.F. No. 1660, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. 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 ENERGY AND ECONOMIC DEVELOPMENT
COMMISSIONER**

Mark Dayton

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

H.F. No. 1381: A bill for an act relating to the city of Caledonia; providing for the appointment of members to the library board; authorizing terms of service.

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

SECOND READING OF SENATE BILLS

S.F. Nos. 1995, 1877, 1780, 2030, 2065, 1940, 1968, 1912, 2018, 2075, 1708, 1386, 2131, 1796, 595, 1732, 2069, 2091, 1914, 1930, 1951, 2061, 2148, 1403, 2009, 2145, 1449, 1982, 1976, 1408, 1781, 1755, 1866, 2083, 1325, 1479, 2016, 1390, 2084, 396, 1606, 2002, 2102 and 2078 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 1481, 1652, 1784, 1216, 1877, 1944, 1032 and 1999 were read the second time.

MOTIONS AND RESOLUTIONS

Mr. Novak moved that the name of Mr. Dieterich be added as a co-author to S.F. No. 648. The motion prevailed.

Mr. Knutson moved that the name of Mr. Ramstad be added as a co-author

to S.F. No. 1420. The motion prevailed.

Mr. Samuelson moved that the name of Mr. Solon be added as a co-author to S.F. No. 1795. The motion prevailed.

Mr. Novak moved that the names of Messrs. Moe, R.D. and Luther be added as co-authors to S.F. No. 1976. The motion prevailed.

Mr. Chmielewski moved that the name of Mr. Pehler be added as a co-author to S.F. No. 2018. The motion prevailed.

Mr. Chmielewski moved that the name of Mr. Stumpf be added as a co-author to S.F. No. 2068. The motion prevailed.

Mr. Taylor moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 2091. The motion prevailed.

Mr. Knaak moved that the name of Mr. Novak be added as a co-author to S.F. No. 2148. The motion prevailed.

Mr. Davis moved that S.F. No. 1722 be withdrawn from the Committee on Taxes and Tax Laws and re-referred to the Committee on Finance. The motion prevailed.

Mr. Peterson, R.W. introduced—

Senate Resolution No. 98: A Senate resolution extending congratulations to the St. Francis High School Debate Team for winning the 1984 Minnesota State High School League debate tournament.

Referred to the Committee on Rules and Administration.

Mr. Peterson, R.W. introduced—

Senate Resolution No. 99: A Senate resolution congratulating the people of the city of Harris on the 100th anniversary of its settlement.

Referred to the Committee on Rules and Administration.

Mr. Knutson introduced—

Senate Resolution No. 100: A Senate resolution congratulating the Braves girls basketball team from Burnsville High School for winning second place in the 1984 Class AA Girls State High School Basketball Championship.

Referred to the Committee on Rules and Administration.

Mr. Diessner introduced—

Senate Resolution No. 101: A Senate resolution congratulating the Park High School Cheerleaders for being selected to represent Minnesota at the international competition in Chicago on April 6-8, 1984.

Referred to the Committee on Rules and Administration.

Mr. Pogemiller moved that H.F. No. 1877, No. 3 on the Calendar, be stricken and placed at the top of General Orders. The motion prevailed.

Ms. Berglin moved that S.F. No. 2065, on General Orders, be stricken and

re-referred to the Committee on Finance. The motion prevailed.

CALENDAR

S.F. No. 1810: A bill for an act relating to insurance; homeowner's; providing certain notice requirements upon policy nonrenewal, reduction in the limits of coverage, or elimination of coverage; authorizing the commissioner to adopt rules; amending Minnesota Statutes 1982, section 65A.29, by adding subdivisions; repealing Minnesota Statutes 1982, section 65A.29, subdivision 2.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S.F. No. 1760: A bill for an act relating to governmental operations; requesting the regents of the University of Minnesota to conduct a job evaluation study and report to the legislature.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

CONSENT CALENDAR

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.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

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.

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	Diessner	Knutson	Novak	Schmitz
Anderson	Dieterich	Kroening	Olson	Sieloff
Belanger	Frank	Kronebusch	Pehler	Solon
Benson	Frederick	Laidig	Peterson, D.C.	Spear
Berg	Frederickson	Langseth	Peterson, D.L.	Storm
Berglin	Freeman	Lantry	Peterson, R.W.	Stumpf
Bernhagen	Hughes	Lessard	Petty	Taylor
Brataas	Isackson	Luther	Pogemiller	Ulland
Chmielewski	Johnson, D.E.	McQuaid	Purfeerst	Vega
Dahl	Johnson, D.J.	Mehrkins	Ramstad	Waldorf
Davis	Jude	Merriam	Reichgott	Wegscheid
DeCramer	Kamrath	Moe, R. D.	Renneke	Willet
Dicklich	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. Luther reported that the committee had considered the following:

S.F. Nos. 97, 1843 and H.F. No. 1877, which the committee recommends

to pass.

S.F. No. 1656, which the committee recommends to pass, after the following motion:

Mr. Knaak moved to amend S.F. No. 1656 as follows:

Page 1, after line 7, insert:

"Section 1. Minnesota Statutes 1983 Supplement, section 222.37, subdivision 1, is amended to read:

Subdivision 1. Any water power, telegraph, telephone, pneumatic tube, community antenna television, ~~cable communications~~ or electric light, heat, or power company may use public roads for the purpose of constructing, using, operating, and maintaining lines, subways, canals, or conduits, for their business, but such lines shall be so located as in no way to interfere with the safety and convenience of ordinary travel along or over the same; and, in the construction and maintenance of such line, subway, canal, or conduit, the company shall be subject to all reasonable regulations imposed by the governing body of any county, town or city in which such public road may be. Nothing herein shall be construed to grant to any person any rights for the maintenance of a telegraph, telephone, pneumatic tube, community antenna television system, ~~cable communications system~~, or light, heat, or power system within the corporate limits of any city until such person shall have obtained the right to maintain such system within such city or for a period beyond that for which the right to operate such system is granted by such city."

Page 2, after line 5, insert:

"Sec. 3. [REPEALER.]

Minnesota Statutes 1983 Supplement, sections 238.22, 238.23, 238.24, 238.25, 238.26, 238.27, and 238.35 are repealed."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "repealing the requirement that cable communications companies be provided access to certain buildings; repealing the authorization that cable communications companies may use existing utility easements;"

Page 1, line 5, delete "section" and insert "sections 227.37, subdivision 1 and" and before the period, insert ";; repealing Minnesota Statutes 1983 Supplement, sections 238.22 to 238.27, and 238.35"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 19 and nays 31, as follows:

Those who voted in the affirmative were:

Anderson	Brataas	Kamrath	Mehrkens	Storm
Belanger	Frederickson	Knaak	Peterson, D.L.	Taylor
Benson	Isackson	Kronebusch	Renneke	Ulland
Bernhagen	Johnson, D.E.	Lessard	Sieloff	

Those who voted in the negative were:

Adkins
Berglin
Bertram
Chmielewski
Dahl
Davis
DeCramer

Dicklich
Diessner
Dieterich
Frank
Freeman
Jude
Lantry

Luther
Merriam
Nelson
Novak
Pehler
Peterson, D.C.
Peterson, R.W.

Petty
Purfeerst
Samuelson
Schmitz
Solon
Spear
Stumpf

Waldorf
Wegscheid
Willet

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

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 lines 6 to 25 and insert:

"Subd. 4. Unless otherwise provided in any town, municipal or county zoning regulation, A licensed day care or residential facility serving from seven through sixteen persons or a licensed day care facility serving from 13 through 16 persons shall be considered a permitted multi-family residential use of property for purposes of zoning if otherwise permitted by local zoning regulations applicable to all uses within the district including requirements concerning population density and distribution. 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. Nothing herein shall be construed to exclude or prohibit residential homes from single family zones if otherwise permitted by a local zoning regulation. The zoning authority may require a periodic review of the permit if required of all conditional use or special use permits. Residential facilities may not be excluded or prohibited from any zoning district or subjected to more restrictive standards than other uses within the district solely on the basis of the nature of the disabilities or other characteristics of the persons served by a facility."

Page 4, delete lines 25 to 36 and insert:

"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 persons or a licensed day care facility serving from 13 through 16 persons shall be considered a permitted multi-family residential use of property for purposes of zoning if otherwise permitted by local zoning regulations applicable to all uses within the district including requirements concerning population density and distribution. 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. Nothing herein shall be construed to exclude or prohibit residential homes for the mentally retarded or physically handicapped from single family zones if otherwise permitted by a local zoning regulation. The zoning authority may require a periodic review of the permit if required of all conditional use or special use permits. Residential facilities may not be excluded or prohibited from any zoning district or subjected to more restrictive standards than other uses within the district solely on the basis of the nature of the disabilities or other characteristics of the persons served by a facility."~~

Page 5, delete lines 1 to 11

The motion prevailed. So the amendment was adopted.

S. F. No. 1628 was then progressed.

S.F. No. 1750, which the committee recommends to pass with the following amendments offered by Mr. Sieloff:

Mr. Sieloff moved to amend S.F. No. 1750 as follows:

Page 12, after line 20, insert:

"Sec. 13. [345.25] [BONDS ISSUED BY RELIGIOUS ORGANIZATIONS.]

Bonds issued by religious organizations are exempt from sections 345.31 to 345.60 and are not otherwise subject to escheat."

Renumber the remaining sections

Amend the title as follows:

Page 1, line 27, before the period, insert "proposing new law coded in Minnesota Statutes, chapter 345"

The motion prevailed. So the amendment was adopted.

Mr. Sieloff then moved to amend S.F. No. 1750, as follows:

Page 13, lines 13 to 16, delete the underscored text

The motion prevailed. So the amendment was adopted.

On motion of Mr. Moe, R.D., the report of the Committee of the Whole, as kept by the Secretary, was adopted.

Without objection, the Senate reverted to the Order of Business of Motions and Resolutions.

MOTIONS AND RESOLUTIONS

Mr. Wegscheid moved that S.F. No. 1419 be withdrawn from the Committee on Taxes and Tax Laws and re-referred to the Committee on Finance. The motion prevailed.

INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Mr. Bernhagen introduced—

S.F. No. 2174: A bill for an act relating to drainage; providing for correction of certain errors in county or judicial ditch benefits; amending Minnesota Statutes 1982, section 106.465.

Referred to the Committee on Agriculture and Natural Resources.

Mr. Bernhagen introduced—

S.F. No. 2175: A bill for an act relating to taxation; providing for timely payment of certain withholding income taxes; amending Minnesota Statutes 1982, section 290.92, subdivision 6, as amended.

Referred to the Committee on Taxes and Tax Laws.

Mr. Bernhagen introduced—

S.F. No. 2176: A bill for an act relating to taxation; sales; exempting sales by certain organizations; amending Minnesota Statutes 1983 Supplement, section 297A.25, subdivision 1.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Petty, Dicklich, Ms. Berglin and Mr. Storm introduced—

S.F. No. 2177: A bill for an act relating to public welfare; requiring licensure for adult day care facilities and supportive living residences; amending Minnesota Statutes 1982, sections 245.782, subdivisions 2, 5, and 6, and by adding a subdivision; 245.791; and 245.802, subdivision 1, and by adding a subdivision.

Referred to the Committee on Health and Human Services.

Messrs. Petty, Merriam and Luther introduced—

S.F. No. 2178: A resolution memorializing the United States Environmental Protection Agency to adopt rules for a ban on leaded gasoline, and memorializing the Congress of the United States to enact legislation either prohibiting leaded gasoline or allowing the states to prohibit it.

Referred to the Committee on Agriculture and Natural Resources.

Mr. Stumpf introduced—

S.F. No. 2179: A bill for an act relating to local government; changing restrictions on filing and recording certain conveyances; amending Minnesota Statutes 1982, section 462.358, subdivision 4b.

Referred to the Committee on Local and Urban Government.

Ms. Reichgott, Messrs. Dahl, Sieloff and Knutson introduced—

S.F. No. 2180: A bill for an act relating to taxation; providing that certain income tax deductions for contributions may be carried forward; amending Minnesota Statutes 1983 Supplement, section 290.089, subdivision 2.

Referred to the Committee on Taxes and Tax Laws.

Mr. Jude introduced—

S.F. No. 2181: A bill for an act relating to public utilities; providing resi-

dential telephone subscribers protection from unwanted commercial solicitation; proposing new law coded in Minnesota Statutes, chapter 237.

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

Mr. Dicklich introduced—

S.F. No. 2182: A bill for an act relating to public employees; permitting certain compensation arrangements for certain local government employees; amending Minnesota Statutes 1982, section 471.615.

Referred to the Committee on Governmental Operations.

Mr. Merriam introduced—

S.F. No. 2183: A bill for an act relating to taxation; extending availability of reduced assessment classifications for certain housing; amending Minnesota Statutes 1983 Supplement, section 273.13, subdivisions 17, 17b, and 17c.

Referred to the Committee on Taxes and Tax Laws.

Mr. Samuelson introduced—

S.F. No. 2184: A bill for an act relating to agriculture; milk quality standards; refining procedures and deadlines for investment reimbursement; amending Minnesota Statutes 1983 Supplement, section 32.417.

Referred to the Committee on Agriculture and Natural Resources.

Mr. Pogemiller introduced—

S.F. No. 2185: A bill for an act relating to energy; simplifying hydropower lease procedures; amending Minnesota Statutes 1982, sections 105.482, subdivision 8; 272.02, by adding a subdivision; 273.19, by adding a subdivision; and 295.44, subdivision 1; repealing Minnesota Statutes 1982, section 295.44, subdivisions 2, 3, and 4.

Referred to the Committee on Energy and Housing.

Mr. Ulland introduced—

S.F. No. 2186: A bill for an act relating to taxation; providing an income tax deduction for the cost of household help; amending Minnesota Statutes 1983 Supplement, section 290.089, subdivision 2.

Referred to the Committee on Taxes and Tax Laws.

Mr. Peterson, R.W. introduced—

S.F. No. 2187: A bill for an act relating to towns; permitting towns to make charitable contributions; amending Minnesota Statutes 1982, section 365.10.

Referred to the Committee on Local and Urban Government.

Mr. Peterson, R.W. introduced—

S.F. No. 2188: A bill for an act relating to workers' compensation; providing coverage for ambulance drivers and attendants; amending Minnesota

Statutes 1983 Supplement, section 176.011, subdivision 9.

Referred to the Committee on Employment.

Ms. Peterson, D.C. introduced—

S.F. No. 2189: A bill for an act relating to marriage dissolution; allowing for a division of marital assets upon commencement of a legal separation or temporary order; amending Minnesota Statutes 1982, section 518.58.

Referred to the Committee on Judiciary.

Mr. Frederickson introduced—

S.F. No. 2190: A bill for an act relating to crimes; requiring the court to impose a stay of execution of sentence with a 90-day period of incarceration as a condition of probation for certain offenders convicted of a first offense of burglary of a dwelling; amending Minnesota Statutes 1983 Supplement, section 609.583.

Referred to the Committee on Judiciary.

Mr. Kroening introduced—

S.F. No. 2191: A bill for an act relating to local police and salaried firefighters relief associations; providing a supplemental medical allowance and group health insurance; proposing new law coded in Minnesota Statutes, chapter 423A.

Referred to the Committee on Governmental Operations.

Mr. Kroening introduced—

S.F. No. 2192: A bill for an act relating to taxation; income; modifying the definition of gross income; adopting the federal rules governing certain employee public pension contributions; amending Minnesota Statutes 1983 Supplement, section 290.01, subdivisions 20a and 20b.

Referred to the Committee on Taxes and Tax Laws.

Mr. Kroening introduced—

S.F. No. 2193: A bill for an act relating to retirement; mandating a refund of certain contributions; appropriating money; amending Laws 1983, chapter 301, sections 225, subdivision 1; and 226, subdivision 1.

Referred to the Committee on Governmental Operations.

Mr. Kroening introduced—

S.F. No. 2194: A bill for an act relating to retirement; Minneapolis teachers; retirement contributions for service in excess of 30 years.

Referred to the Committee on Governmental Operations.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 11:00 a.m., Monday, April 9, 1984. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate