

EIGHTY-SEVENTH DAY

St. Paul, Minnesota, Saturday, March 15, 1986

The Senate met at 10:00 a.m. and was called to order by the President.

CALL OF THE SENATE

Mr. Frederickson imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. Donald Richman.

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

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

The President declared a quorum present.

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

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communication was received.

March 11, 1986

The Honorable David Jennings
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

I have the honor to inform you that the following enrolled Act of the 1986 Session of the State Legislature has been received from the Office of the Governor and is deposited in the Office of the Secretary of State for preser-

vation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Date Approved 1986 March 11	Date Filed 1986 March 11
1600		317		

Sincerely,

Joan Anderson Growe
Secretary of State

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Willet moved that the following members be excused for a Conference Committee on H.F. No. 2009 at 10:00 a.m.:

Messrs. Willet, Kroening, Samuelson, Luther and Nelson. The motion prevailed.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate Files, herewith returned: S.F. Nos. 1441 and 1642.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 14, 1986

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 1968 and 1873.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 14, 1986

FIRST READING OF HOUSE BILLS

The following bills were read the first time.

H.F. No. 1968: A bill for an act relating to environment; providing for the selection of locations for and developers of hazardous waste stabilization and containment facilities; authorizing the city of Babbitt to exercise certain powers for solid waste management purposes; authorizing St. Louis county to enter into joint powers agreements with the city of Babbitt; amending Minnesota Statutes 1984, sections 115.01, by adding subdivisions; 115A.03, subdivision 1, and by adding subdivisions; 115A.05, subdivision 2; 115A.06, by adding a subdivision; 115A.13; 115A.14, subdivision 6; 400.08; 400.11; 473.153, subdivision 3, and by adding a subdivision; 473.516, by adding a subdivision; 473.811, subdivision 2, and by adding a subdivision; Minnesota Statutes 1985 Supplement, sections 275.50, subdivision 5; 473.153, subdivisions 1, 5, and 6b; 477A.012; proposing coding for new law in Minnesota Statutes, chapters 115; 115A; 116C; and 400; repealing Minnesota Statutes 1984, sections 115A.17; 400.05; and 400.10; Minnesota Statutes 1985 Supplement, section 473.811, subdivision 11.

Mr. Merriam moved that H.F. No. 1968 be laid on the table. The motion prevailed.

H.F. No. 1873: A bill for an act relating to workers' compensation; regulating the obligations and administration of the special compensation fund; restricting liability for out-of-state injuries; defining spendable weekly earnings; changing basis for calculating certain benefits; providing disability rating for certain losses; regulating the payment and right to benefits; eliminating minimum compensation in certain cases; compensation court of appeals; postponing initial adjustment of certain benefits; regulating attorneys' fees; relating to jurisdiction of issues of medical causation; providing for the administration of claims; providing for fees from state insurance fund; authorizing use of fees for administrative conferences; providing penalties; codifying regulations relating to permanent partial disability schedules and to independent contractors; eliminating supplementary benefits for new claims; amending Minnesota Statutes 1984, sections 176.011, subdivision 18, and by adding subdivisions; 176.012; 176.021, subdivision 1; 176.041, subdivisions 1, 2, 3, 4, and by adding a subdivision; 176.081, subdivisions 1 and 7; 176.101, subdivisions 1, 2, 3a, 3b, 3f, and 4, and by adding a subdivision; 176.103, subdivision 2; 176.104, subdivision 1; 176.105, subdivision 4; 176.111, subdivisions 6, 12, 15, and 20; 176.129, subdivision 8; 176.131, subdivisions 1a and 3; 176.132, subdivision 1; 176.135, subdivisions 1 and 1a; 176.155, subdivisions 1 and 5; 176.179; 176.225, subdivision 1; 176.231, subdivisions 1 and 10; 176.242, subdivision 2; 176.243, subdivision 3; 176.271; 176.275; 176.291; 176.305, subdivision 1, and by adding a subdivision; 176.306, subdivision 1, and by adding a subdivision; 176.312; 176.321, subdivisions 2 and 3; 176.331; 176.341, by adding subdivisions; 176.351, subdivision 2; 176.361, subdivisions 1 and 2; 176.371; 176.411, subdivision 2; 176.421, subdivision 6; 176.521, subdivision 3; 176.603; 176.611, subdivision 2; 176.645, subdivision 2; 176.83, subdivisions 2 and 11; 268.08, subdivision 3; Minnesota Statutes 1985 Supplement, section 176.101, subdivisions 3e and 3f; and 176.138; proposing coding for new law in Minnesota Statutes, chapters 79 and 176; proposing coding for new law as Minnesota Statutes, chapters 176B and 176C; repealing Minnesota Statutes 1984, sections 176.105, subdivisions 1, 2, and 3; 176.265; 176.431; 176.441; and 176.611, subdivisions 3 and 4.

Mr. Moe, R.D. moved that H.F. No. 1873 be laid on the table. The motion prevailed.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 2123 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS

H.F. No. S.F. No.
2123 1968

CONSENT CALENDAR

H.F. No. S.F. No.

CALENDAR

H.F. No. S.F. No.

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 2123 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2123 and insert the language after the enacting clause of S.F. No. 1968, the second engrossment; further, delete the title of H.F. No. 2123 and insert the title of S.F. No. 1968, the second engrossment.

And when so amended H.F. No. 2123 will be identical to S.F. No. 1968, and further recommends that H.F. No. 2123 be given its second reading and substituted for S.F. No. 1968, 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. 2287 for comparison with companion Senate File, reports the following House File was found not identical with 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.
2287	1847				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 2287 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2287 and insert the language after the enacting clause of S.F. No. 1847, the third engrossment; further, delete the title of H.F. No. 2287 and insert the title of S.F. No. 1847, the third engrossment.

And when so amended H.F. No. 2287 will be identical to S.F. No. 1847, and further recommends that H.F. No. 2287 be given its second reading and substituted for S.F. No. 1847, 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. 2210 for comparison with companion Senate File, reports the following House File was found not identical with 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.
2210	2040				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 2210 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2210 and insert the language after the enacting clause of S.F. No. 2040, the first engrossment; further, delete the title of H.F. No. 2210 and insert the title of S.F. No. 2040, the first engrossment.

And when so amended H.F. No. 2210 will be identical to S.F. No. 2040, and further recommends that H.F. No. 2210 be given its second reading and substituted for S.F. No. 2040, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

SECOND READING OF HOUSE BILLS

H.F. Nos. 2123, 2287 and 2210 were read the second time.

MOTIONS AND RESOLUTIONS

Mr. Spear moved that the name of Ms. Peterson, D.C. be added as a co-author to S.F. No. 1591. The motion prevailed.

Mr. Spear moved that S.F. No. 1619 be taken from the table. The motion prevailed.

S.F. No. 1619: A bill for an act relating to civil actions; providing a cause of action for sexual exploitation; proposing coding for new law as Minnesota Statutes, chapter 148A.

CONCURRENCE AND REPASSAGE

Mr. Spear moved that the Senate concur in the amendments by the House to S.F. No. 1619 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 1619: A bill for an act relating to civil "criminal" actions; providing a cause of action for sexual exploitation; providing new procedures for enforcing restitution orders; amending Minnesota Statutes 1984, section 609.135, by adding a subdivision; proposing coding for new law as Minnesota Statutes, chapter 148A.

Was read the third time, as amended by the House, and placed on its repassage.

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

The roll was called, and there were yeas 46 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Frank	Kronebusch	Pehler	Sieloff
Anderson	Frederickson	Laidig	Peterson, D.C.	Spear
Benson	Gustafson	Lantry	Peterson, D.L.	Storm
Bernhagen	Hughes	Lessard	Peterson, R.W.	Taylor
Bertram	Isackson	McQuaid	Pogemiller	Waldorf
Chmielewski	Johnson, D.E.	Mehrkens	Purfeerst	Wegscheid
Dahl	Jude	Merriam	Ramstad	
Dicklich	Kamrath	Moe, D.M.	Reichgott	
Diessner	Knaak	Moe, R.D.	Renneke	
Dieterich	Kroening	Olson	Schmitz	

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

MOTIONS AND RESOLUTIONS - CONTINUED

CONFIRMATION

Mr. Merriam moved that the reports from the Committee on Agriculture and Natural Resources, reported March 13, 1986, pertaining to appointments, be taken from the table. The motion prevailed.

Mr. Merriam moved that the foregoing reports be now adopted. The motion prevailed.

Mr. Merriam moved that in accordance with the reports from the Committee on Agriculture and Natural Resources, reported March 13, 1986, the Senate, having given its advice, do now consent to and confirm the appointments of:

BOARD OF ANIMAL HEALTH

Theodore G. Huisinga, Rt. 4, Willmar, Kandiyohi County, effective January 17, 1986, for a term expiring the first Monday in January, 1990.

MINNESOTA POLLUTION CONTROL AGENCY

Russell W. Domino, 23 West Rd., Circle Pines, Anoka County, effective January 6, 1986, for a term expiring the first Monday in January, 1990.

Ruth I. Ericson, 80 Edison Blvd., Silver Bay, Lake County, effective June 17, 1985, for a term expiring the first Monday in January, 1987.

Daniel D. Foley, M.D., 427 S. O'Day Cir., Maplewood, Ramsey County, effective October 21, 1985, for a term expiring the first Monday in January, 1989.

Keith H. Langmo, 618 W. Crescent Ln., Litchfield, Meeker County, effective January 6, 1986, for a term expiring the first Monday in January, 1990.

MINNESOTA WATER RESOURCES BOARD

Duane R. Ekman, Rt. 1, Argyle, Marshall County, effective January 17, 1986, for a term expiring the first Monday in January, 1990.

WASTE MANAGEMENT BOARD CHAIRPERSON

William Walker, Itasca Star Rt., Park Rapids, Becker County, effective September 3, 1985, for a term expiring the first Monday in January, 1987.

The motion prevailed. So the appointments were confirmed.

CONFIRMATION

Mr. Chmielewski moved that the report from the Committee on Employment, reported March 14, 1986, pertaining to appointments, be taken from the table. The motion prevailed.

Mr. Chmielewski moved that the foregoing report be now adopted. The motion prevailed.

Mr. Chmielewski moved that in accordance with the report from the Committee on Employment, reported March 14, 1986, the Senate, having given its advice, do now consent to and confirm the appointments of:

WORKERS' COMPENSATION COURT OF APPEALS

Leslie Miller Altman, 15221 Knob Hill Curve, Minnetonka, Hennepin County, effective September 17, 1985, for a term expiring the first Monday in January, 1991.

Karen Shimon, 842 Jackson, St. Paul, Ramsey County, effective December 16, 1985, for a term expiring the first Monday in January, 1991.

The motion prevailed. So the appointments were confirmed.

CONFIRMATION

Mr. Spear moved that the report from the Committee on Judiciary, reported March 12, 1986, pertaining to appointments, be taken from the table. The motion prevailed.

Mr. Spear moved that the foregoing report be now adopted. The motion prevailed.

Mr. Spear moved that in accordance with the report from the Committee on Judiciary, reported March 12, 1986, the Senate, having given its advice, do now consent to and confirm the appointments of:

BOARD ON JUDICIAL STANDARDS

Ruth Plotnicky, 5525 Kellogg Ave., Edina, Hennepin County, effective January 6, 1986, for a term expiring the first Monday in January, 1990.

Lawrence D. Cohen, 1501 Eleanor Ave., St. Paul, Ramsey County, effective January 6, 1986, for a term expiring the first Monday in January, 1990.

HAZARDOUS SUBSTANCE INJURY COMPENSATION BOARD

Corrin John Hodgson, 6910 Buckthorn Rd. N.W., Rochester, Olmsted County, effective September 23, 1985, for a term expiring the first Monday in January, 1991.

Richard A. Mergens, 13680 Greenwood Trl. N., Stillwater, Washington County, effective September 23, 1985, for a term expiring the first Monday in January, 1989.

David R. Miller, 1309 Jonquil Ln., White Bear Lake, Ramsey County,

effective September 23, 1985, for a term expiring the first Monday in January, 1987.

Constance N. Pries, 1390 - 32nd Ave. N.W., New Brighton, Ramsey County, effective September 23, 1985, for a term expiring the first Monday in January, 1989.

Byron E. Starns, 2270 Riverwood Pl., St. Paul, Ramsey County, effective September 23, 1985, for a term expiring the first Monday in January, 1991.

The motion prevailed. So the appointments were confirmed.

SPECIAL ORDER

H.F. No. 2405: A bill for an act relating to elections in the city of Minneapolis; changing the time of election of certain board members; extending certain terms.

Mr. Kroening moved to amend H.F. No. 2405, as amended pursuant to Rule 49, adopted by the Senate March 13, 1986, as follows:

(The text of the amended House File is identical to S.F. No. 1985.)

Page 1, line 23, delete the second comma

Page 1, line 25, delete the comma

Page 2, line 6, after the period, insert "*Those whose terms were filled during the 1985 municipal election are extended to the first business day in 1994.*"

Page 2, line 6, delete "1989," and insert "1993"

The motion prevailed. So the amendment was adopted.

H.F. No. 2405 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 39 and nays 2, as follows:

Those who voted in the affirmative were:

Adkins	Frank	Kroening	Moe, R.D.	Renneke
Anderson	Frederickson	Kronebusch	Olson	Schmitz
Belanger	Gustafson	Laidig	Peterson, C.C.	Sieloff
Benson	Hughes	Lantry	Peterson, D.L.	Storm
Bernhagen	Isackson	Lessard	Peterson, R.W.	Taylor
Bertram	Johnson, D.E.	McQuaid	Purfeerst	Waldorf
Chmielewski	Jude	Mehrkens	Ramstad	Wegscheid
Dicklich	Kamrath	Moe, D.M.	Reichgott	

Messrs. Merriam and Pogemiller voted in the negative.

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

SPECIAL ORDER

H.F. No. 2466: A bill for an act relating to natural resources; permitting use of metal detectors on certain state lands under certain conditions; authorizing additions to and deletions from certain state parks and recreation

areas; imposing a penalty; proposing coding for new law in Minnesota Statutes, chapter 85.

Mr. Benson moved to amend H.F. No. 2466, as amended pursuant to Rule 49, adopted by the Senate March 13, 1986, as follows:

(The text of the amended House File is identical to S.F. No. 2217.)

Page 6, after line 29, insert:

“Sec. 5. [FORESTVILLE STATE PARK ROADS.]

Up to \$1,000 of the cost incurred in the biennium ending June 30, 1987, by Fillmore county in maintaining roads that provide access to Forestville state park shall be reimbursed from the state park road account created by Minnesota Statutes 1984, section 162.06, subdivision 5.”

Renumber the sections in sequence

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Isackson moved to amend H.F. No. 2466, as amended pursuant to Rule 49, adopted by the Senate March 13, 1986, as follows:

(The text of the amended House File is identical to S.F. No. 2217.)

Page 6, after line 29, insert:

“Sec. 5. [85.50] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] The following definitions apply for the purposes of sections 5 to 8.

Subd. 2. [COMMISSIONER.] “Commissioner” means the commissioner of natural resources.

Subd. 3. [METAL DETECTOR.] “Metal detector” means an electronic device used to locate buried metal objects.

Subd. 4. [PERSON.] “Person” means an individual.

Sec. 6. [85.51] [PERMIT REQUIRED; PERMIT TERM.]

Subdivision 1. [PERMIT REQUIRED.] Except as provided in this section, no person may use a metal detector to search for buried metal objects beneath the surface of any state park, recreation area, or wayside unless the person possesses a permit issued by the commissioner and validated by any on-site manager of the park, area, or wayside. The commissioner may issue a permit to any person completing an application provided by the commissioner and paying a fee of \$15. No permit is required for the use of a metal detector in a state park, recreation area, or wayside if waived by the commissioner. Permit fees collected by the commissioner shall be deposited in the state park maintenance fund.

Subd. 2. [PERMIT TERM; CONDITIONS.] A permit issued by the commissioner and validated by any on-site manager authorizes the person to whom it is issued to use a metal detector only in the place and in the manner provided on the permit and in this section, from the day after Labor Day to the Friday before the last Monday in May of the next calendar year. The

permit holder may probe for buried objects only with a knife blade or screwdriver. The permit may also contain such reasonable limitations or conditions concerning the manner or location of the area to be searched, consistent with this section, as the commissioner or on-site manager of the park, recreation area, or wayside may prescribe.

Sec. 7. [85.52] [LOCATION AND RETENTION OF ARTICLES.]

Coins located by the use of a metal detector used pursuant to a permit issued under section 6 may be kept by the permittee. Jewelry and other personal articles located by a permittee shall be displayed to any on-site manager and, if the owner is not identified within a reasonable time, may be kept by the permittee. Artifacts of significant historical value located by a permittee shall be turned over to any on-site manager or to the commissioner if there is no on-site manager.

Sec. 8. [85.53] [PENALTY.]

A person who uses a metal detector in violation of section 6 or 7 or in violation of the terms and conditions of a permit issued under section 6 is guilty of a misdemeanor."

Page 6, line 31, delete "This act is" and insert "Sections 1 to 4 are"

Renumber the sections in sequence

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 10 and nays 24, as follows:

Those who voted in the affirmative were:

Anderson	Dieterich	Kamrath	Peterson, D.L.	Storm
Belanger	Isackson	Mehrkins	Sieloff	Wegscheid

Those who voted in the negative were:

Adkins	Frederickson	McQuaid	Pehler	Purfeerst
Berglin	Gustafson	Merriam	Peterson, C.C.	Reichgott
Bertram	Hughes	Moe, D.M.	Peterson, D.C.	Schmitz
Chmielewski	Jude	Novak	Peterson, R.W.	Waldorf
Diessner	Lessard	Olson	Pogemiller	

The motion did not prevail. So the amendment was not adopted.

H.F. No. 2466 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 41 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Frank	Laidig	Peterson, C.C.	Sieloff
Anderson	Frederickson	Lessard	Peterson, D.C.	Storm
Belanger	Gustafson	McQuaid	Peterson, D.L.	Taylor
Benson	Hughes	Mehrkins	Peterson, R.W.	Waldorf
Berglin	Isackson	Merriam	Pogemiller	Wegscheid
Bernhagen	Johnson, D.J.	Moe, D.M.	Purfeerst	
Bertram	Jude	Novak	Ramstad	
Chmielewski	Kamrath	Olson	Reichgott	
Diessner	Kronebusch	Pehler	Renneke	

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

SPECIAL ORDER

H.F. No. 1930: A bill for an act relating to public safety; barring traffic citation quotas; proposing coding for new law in Minnesota Statutes, chapter 299D.

Mr. Peterson, R.W. moved to amend H.F. No. 1930, as amended pursuant to Rule 49, adopted by the Senate February 27, 1986, as follows:

(The text of the amended House File is identical to S.F. No. 1818.)

Page 1, line 10, before the period, insert "*The state patrol may compare a trooper's performance to the activity of all troopers in its evaluation of a trooper's performance, and may establish minimum performance standards after consideration of traffic and motor vehicle accident trends and the level of activity performed by all other state troopers*".

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 6 and nays 40, as follows:

Those who voted in the affirmative were:

Berglin	Peterson, D.C.	Peterson, R.W.	Sieloff	Wegscheid
Merriam				

Those who voted in the negative were:

Adkins	Davis	Isackson	Lantry	Purfeerst
Anderson	Dicklich	Johnson, D.E.	Lessard	Ramstad
Belanger	Diessner	Johnson, D.J.	McQuaid	Reichgott
Benson	Frank	Jude	Mehrkens	Renneke
Berg	Frederick	Kamrath	Olson	Schmitz
Bernhagen	Frederickson	Kronebusch	Pehler	Solon
Bertram	Gustafson	Laidig	Peterson, D.L.	Storm
Chmielewski	Hughes	Langseth	Pogemiller	Taylor

The motion did not prevail. So the amendment was not adopted.

Mr. Purfeerst moved to amend H.F. No. 1930, as amended pursuant to Rule 49, adopted by the Senate February 27, 1986, as follows:

(The text of the amended House File is identical to S.F. No. 1818.)

Page 1, after line 10, insert:

"Sec. 2. Laws 1985, First Special Session chapter 10, section 4, subdivision 1, is amended to read:

Subdivision 1. Total

Appropriation		\$78,723,900	75,672,200
	1986	1987	
Approved Complement -	1,666.4	1,666.4	
General -	354.2	354.2	
Special -	1.0	1.0	
Trunk Highway -	1,059.3	1,059.3	
Highway User -	177.6	177.6	
Federal -	40.3	40.3	
Internal Service -	34.0	34.0	

The above approved complement includes ~~544~~ 521 for state-funded, unclassified patrol officers and supervisors of the state patrol. Nothing in this provision is intended to limit the authority of the commissioner of public safety to transfer personnel, with the approval of the commissioner of finance, among the various units and divisions within this section, provided that the above complement must be

reduced accordingly.

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

Summary by Fund

General	\$ 17,513,400	\$ 17,693,000
Trunk Highway	\$ 48,766,800	\$ 47,578,000
Highway User	\$ 12,443,700	\$ 10,401,200

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions."

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Chmielewski moved to amend H.F. No. 1930, as amended pursuant to Rule 49, adopted by the Senate February 27, 1986, as follows:

(The text of the amended House File is identical to S.F. No. 1818.)

Page 1, after line 10, insert:

"Sec. 2. [84.0285] [GAME AND FISH CITATION QUOTAS PROHIBITED.]

The commissioner of natural resources, or the director of the division of enforcement and field service, may not order, mandate, or require that the conservation officer issue a certain number of game and fish law violations on a daily, weekly, monthly, quarterly, or yearly quota basis."

Amend the title as follows:

Page 1, line 2, delete "public safety" and insert "law enforcement"

Page 1, line 3, after the semicolon, insert "barring game and fish citation quotas;"

Page 1, line 4, delete "chapter" and insert "chapters 84 and"

The motion did not prevail. So the amendment was not adopted.

H.F. No. 1930 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 50 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Jude	Moe, R.D.	Ramstad
Anderson	Dieterich	Kamrath	Novak	Reichgott
Belanger	Frederick	Kroening	Olson	Renneke
Benson	Frederickson	Kronebusch	Pehler	Schmitz
Berg	Freeman	Laidig	Peterson, C.C.	Sieloff
Berglin	Gustafson	Langseth	Peterson, D.C.	Solon
Bernhagen	Hughes	Lantry	Peterson, D.L.	Storm
Bertram	Isackson	Lessard	Peterson, R.W.	Taylor
Chmielewski	Johnson, D.E.	McQuaid	Pogemiller	Waldorf
Davis	Johnson, D.J.	Mehrkens	Purfeerst	Wegscheid

Mr. Merriam voted in the negative.

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

SPECIAL ORDER

S.F. No. 2010: A bill for an act relating to education; permitting research sites on exemplary learning; permitting suspension of certain mandates; proposing coding for new law in Minnesota Statutes, chapter 121.

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 42 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Kamrath	Novak	Schmitz
Anderson	Dieterich	Kroening	Olson	Sieloff
Belanger	Frederick	Kronebusch	Pehler	Solon
Benson	Frederickson	Laidig	Peterson, D.C.	Storm
Bernhagen	Freeman	Lessard	Peterson, D.L.	Wegscheid
Bertram	Gustafson	McQuaid	Ramstad	Willet
Chmielewski	Hughes	Mehrkins	Reichgott	
Davis	Isackson	Merriam	Renneke	
DeCramer	Jude	Moe, R.D.	Samuelson	

So the bill passed and its title was agreed to.

SPECIAL ORDER

Mr. Merriam moved that H.F. No. 1968 be taken from the table. The motion prevailed.

H.F. No. 1968: A bill for an act relating to environment; providing for the selection of locations for and developers of hazardous waste stabilization and containment facilities; authorizing the city of Babbitt to exercise certain powers for solid waste management purposes; authorizing St. Louis county to enter into joint powers agreements with the city of Babbitt; amending Minnesota Statutes 1984, sections 115.01, by adding subdivisions; 115A.03, subdivision 1; and by adding subdivisions; 115A.05, subdivision 2; 115A.06, by adding a subdivision; 115A.13; 115A.14, subdivision 6; 400.08; 400.11; 473.153, subdivision 3, and by adding a subdivision; 473.516, by adding a subdivision; 473.811, subdivision 2, and by adding a subdivision; Minnesota Statutes 1985 Supplement, sections 275.50, subdivision 5; 473.153, subdivisions 1, 5, and 6b; 477A.012; proposing coding for new law in Minnesota Statutes, chapters 115; 115A; 116C; and 400; repealing Minnesota Statutes 1984, sections 115A.17; 400.05; and 400.10; Minnesota Statutes 1985 Supplement, section 473.811, subdivision 11.

SUSPENSION OF RULES

Mr. Merriam moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to H.F. No. 1968 and that the rules of the Senate be so far suspended as to give H.F. No. 1968 its second and third reading and place it on its final passage. The motion prevailed.

H.F. No. 1968 was read the second time.

Mr. Merriam then moved to amend H.F. No. 1968 as follows:

Delete everything after the enacting clause, and delete the title, of H.F. No. 1968, and insert the language after the enacting clause, and the title, of S.F. No. 1952, the second engrossment.

The motion prevailed. So the amendment was adopted.

Mr. Merriam then moved to amend H.F. No. 1968, as amended by the Senate March 15, 1986, as follows:

(The text of the amended House File is identical to S.F. No. 1952.)

Page 7, after line 11, insert:

"Sec. 21. Minnesota Statutes 1984, section 115A.15, subdivision 6, is amended to read:

Subd. 6. [RESOURCE RECOVERY REVOLVING ACCOUNT.] Upon the certification of the commissioner of administration, the commissioner of finance shall establish an account in the general services revolving fund, effective June 30, 1980, for the operation of the state government resource recovery program. The revolving account shall consist of all funds appropriated by the state for the program, all revenues resulting from the sale of recyclable and reusable commodities made available for sale as a result of the resource recovery program and all reimbursements to the commissioner of his expenses incurred in developing and administering resource recovery systems for state agencies, local governments, and regional agencies. The account may be used for all activities associated with the program including payment of administrative and operating costs, *except statewide and agency indirect costs.*"

Page 7, line 18, delete everything after the headnote

Page 7, line 19, delete everything before "all"

Page 7, line 20, after "I" insert "*are dismissed from further consideration as candidate sites for hazardous waste facilities*"

Page 13, line 18, after "management" insert "*by July 1, 1988, and*"

Page 21, after line 30, insert:

"Sec. 31. Minnesota Statutes 1984, section 473.806, subdivision 2, is amended to read:

Subd. 2. [ACQUISITION OF TEMPORARY DEVELOPMENT RIGHTS.] If pursuant to subdivision 1 the council refuses to approve development which is permitted by local development plans, land use classification, and zoning and other official controls applying to the property on February 1, 1983, the land owner may elect to have the county purchase temporary development rights to the property for the period extending from the date when the council approved the site which affects the property for inclusion in the metropolitan inventory of sites until ~~July 1, 1985~~ December 31, 1987. The election must be made within 30 days of the council's decision to refuse to approve development. The council shall provide funds, from the proceeds of the bonds issued pursuant to section 473.831, for the county to purchase the temporary development rights. The land owner's compensation shall be determined by the agreement of the owner, the county, and the

council. If the parties cannot agree within 60 days of the owner's election, the county shall acquire the temporary development rights through eminent domain proceedings, and the land owner's compensation shall be the fair market value of the temporary development rights."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Merriam then moved to amend H.F. No. 1968, as amended by the Senate March 15, 1986, as follows:

(The text of the amended House File is identical to S.F. No. 1952.)

Page 2, after line 16, insert:

"Sec. 5. Minnesota Statutes 1984, section 115.01, is amended by adding a subdivision to read:

Subd. 22. [DEPOSITORY.] "Depository" means: (a) a disposal facility or stabilization and containment facility for hazardous waste as defined in section 115A.03; and (b) a radioactive waste management facility as defined in section 116C.71, subdivision 7."

Page 2, line 35, delete "disposal systems" and insert "depositories"

Page 3, lines 4 and 5, delete "disposal system" and insert "depository"

Page 3, line 11, delete "disposal system" and insert "depository"

Page 3, line 14, delete "system" and insert "depository"

Page 3, line 15, delete "disposal system" and insert "depository"

Page 3, line 18, delete "DISPOSAL SYSTEM" and insert "DEPOSITORY"

Page 3, line 20, delete "disposal system" and insert "depository"

Page 3, line 23, delete "7" and insert "6"

Page 3, line 35, delete "disposal system" and insert "radioactive waste management facility"

Page 4, line 1, delete "disposal system" and insert "radioactive waste management facility"

Page 4, line 3, delete "DISPOSAL SYSTEM" and insert "DEPOSITORY"

Page 4, lines 5 and 6, delete "Disposal systems" and insert "Radioactive waste management facilities"

Page 4, line 8, delete "disposal system" and insert "radioactive waste management facility"

Page 4, delete lines 19 to 23 and insert:

"Subd. 2. [DISPOSAL RESTRICTED.] The location or construction of a radioactive waste management facility for high level radioactive waste is prohibited where the average annual radionuclide concentrations in

groundwater before construction of the facility exceed the limits in subdivision 1."

Page 4, line 25, delete "Disposal systems" and insert "Radioactive waste management facilities"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Merriam then moved to amend H.F. No. 1968, as amended by the Senate March 15, 1986, as follows:

(The text of the amended House File is identical to S.F. No. 1952.)

Page 9, line 30, delete "30" and insert "33"

Page 10, line 13, delete "30" and insert "33"

Page 20, delete lines 27 to 33 and insert:

"(v) pay the costs of meeting the planning requirements of section 115A.46; the requirements of section 115A.917; the planning requirements of the metropolitan plan adopted under section 473.149 and county master plans adopted under section 473.803; waste reduction and source separation programs and facilities; response actions that are financed in part by service charges under section 400.08 or section 21; closure and postclosure care of a solid waste facility closed by order of the pollution control agency or by expiration of an agency permit before January 1, 1989; and current operating and maintenance costs of a publicly-owned solid waste processing facility financed with general obligation bonds issued after a referendum before the effective date of this section.

Sec. 29. Minnesota Statutes 1984, section 400.08, is amended to read:

400.08 [SERVICE AREAS AND CHARGES.]

Subdivision 1. [DEFINITION.] For purposes of this section, "solid waste management services" includes collection, processing, and disposal of solid waste, closure and post-closure care of a solid waste facility, and response, as defined in section 115B.02, to releases from a solid waste facility or closed solid waste facility.

Subd. 2. [SERVICE AREAS.] In addition to the power that the county may exercise under other law, and in order to provide solid waste management services to those areas needing services, the county board by resolution may establish and determine the boundaries of solid waste management service areas in the county. Before the adoption of the resolution the county board shall hold a public hearing on the question. If a service area is established, the county board may impose service charges for solid waste management services for the area and may levy a tax on all the property in the area, or any combination of charges and taxes. The county board may enlarge any existing service area following the procedures specified in this section. Upon the petition of the landowner, land may be added to the service area without a public hearing on the enlargement.

Subd. 3. [SERVICE CHARGES.] The county may establish by ordinance,

revise when deemed advisable, and collect just and reasonable rates and charges for solid waste management services provided by the county or by others under contract with the county. The ordinance may obligate the owners, lessees, or occupants of property, or any or all of them, to pay charges for solid waste management services to their properties and, may obligate the user of any facility to pay a reasonable charge for the use of the facility. Rates and charges may take into account the character, kind, and quality of the service and of the solid waste, the method of disposition, the number of people served at each place of collection, and all other factors that enter into the cost of the service, including but not limited to depreciation and payment of principal and interest on money borrowed by the county for the acquisition or betterment of facilities. *A notice of intention to enact an ordinance, published pursuant to section 375.51, subdivision 2, shall provide for a public hearing prior to the meeting at which the ordinance is to be considered.*

Subd. 4. [COLLECTION.] The rates and charges may be billed and collected in a manner the board shall determine. On or before October 15 in each year, the county board ~~shall~~ *may* certify to the county auditor all unpaid outstanding charges for ~~services hereunder~~, and a ~~statement of the description of the lands which were serviced and against which the charges arose.~~ It shall be the duty of the county auditor, upon order of the county board, to extend the assessments, with interest not to exceed ~~six percent as the interest rate provided for in the county ordinance section 279.03, subdivision 1,~~ upon the tax rolls of the county for the taxes of the year in which the assessment is filed. For each year ending October 15 the assessment with interest shall be carried into the tax becoming due and payable in January of the following year, and shall be enforced and collected in the manner provided for the enforcement and collection of real property taxes in accordance with the provisions of the laws of the state. The charges, if not paid, shall become delinquent and be subject to the same penalties and the same rate of interest as the taxes under the general laws of the state. ~~All rates and charges shall be uniform in their application to use and service of the same character and quantity. A notice of intention to enact such an ordinance, published pursuant to section 375.51, subdivision 2, shall provide for a public hearing thereon to be held prior to the meeting at which the ordinance is to be considered.~~

Page 21, line 2, after "facilities," insert "*for improvements of a capital nature to respond, as defined in section 115B.02, to releases from closed solid waste facilities,*"

Page 21, after line 30, insert:

"Sec. 31. Minnesota Statutes 1984, section 473.811, subdivision 2, is amended to read:

Subd. 2. [COUNTY FINANCING OF FACILITIES.] Each metropolitan county may by resolution authorize the issuance of bonds to provide funds for the acquisition or betterment of solid waste facilities, related transmission facilities, or property or property rights for the facilities, *for improvements of a capital nature to respond, as defined in section 115B.02, to releases from closed solid waste facilities,* or for refunding any outstanding bonds issued for any such purpose; ~~and.~~ The county may pledge to the payment of the bonds and the interest thereon, its full faith, credit and taxing powers, or the

proceeds of any designated tax levies, or the gross or net revenues or charges to be derived from any facility operated by or for the county, or any combination thereof. Taxes levied for the payment of the bonds and interest shall not reduce the amounts of other taxes which the county is authorized by law to levy. The proceeds of the bonds may be used in part to establish a reserve as further security for the payment of the principal and interest of the bonds when due. Revenue bonds issued pursuant to this section may be sold at public or private sale upon such conditions as the county board shall determine, but any bonds to which the full faith and credit and taxing powers of the county are pledged shall be sold in accordance with the provisions of chapter 475. No election shall be required to authorize the issuance of the bonds. Except as otherwise provided, the bonds shall be issued and sold in accordance with the provisions of chapter 475.

Sec. 32. Minnesota Statutes 1984, section 473.811, is amended by adding a subdivision to read:

Subd. 3a. [SERVICE AREAS.] Metropolitan counties have the authority provided in section 400.08."

Page 23, line 17, after "115A.17;" insert "400.05;"

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 5, after the semicolon, insert "authorizing establishment of county solid waste management service areas; providing for financing of certain improvements;"

Page 1, line 14, after "6;" insert "400.08;" and after "400.11;" insert "473.811, subdivision 2, and by adding a subdivision;"

Page 1, line 18, after "115A.17;" insert "400.05;"

The motion prevailed. So the amendment was adopted.

Mr. Wegscheid moved to amend H.F. No. 1968, as amended by the Senate March 15, 1986, as follows:

(The text of the amended House File is identical to S.F. No. 1952.)

Page 21, after line 30, insert:

"Sec. 30. Minnesota Statutes 1985 Supplement, section 473.153, subdivision 1, is amended to read:

Subdivision 1. [FACILITIES REQUIRED.] Except as provided in subdivision 7 and section 115A.33, all facilities for the disposal of solid waste generated by the metropolitan waste control commission shall be established and operated in accordance with this section and section 473.516. The ~~council and the commission shall establish~~ *acquire and own all of the facilities needed for the disposal of solid waste the sludge ash generated by the commission. The ~~council and the commission shall acquire and establish~~ at least one facility for sludge ash disposal at a site selected by the council under this section, unless the council and the agency determine under section 33 that the facility is not needed.*

Sec. 31. Minnesota Statutes 1984, section 473.153, subdivision 3, is

amended to read:

Subd. 3. [MORATORIUM.] In order to permit the comparative evaluation of sites and the participation of affected localities in decisions about the use of sites, a moratorium is hereby imposed as provided in this subdivision on development within the area of each candidate site and buffer area selected by the council. The moratorium shall extend until six months following the council's decision under subdivision 6 *or until the sites are dismissed from consideration pursuant to section 4.* No development shall be allowed to occur within the area of a site or buffer area during the period of the moratorium without the approval of the council. No county, city, or town land use control shall permit development which has not been approved by the council, nor shall any county, city, or town sanction or approve any subdivision, permit, license, or other authorization which would allow development to occur which has not been approved by the council. The council shall not approve actions which would jeopardize the availability of a candidate site for use as a solid waste facility. The council may establish guidelines for reviewing requests for approval under this subdivision. Requests for approval shall be submitted in writing to the chairman of the council and shall be deemed to be approved by the council unless the chairman otherwise notifies the submitter in writing within 15 days.

Sec. 32. Minnesota Statutes 1985 Supplement, section 473.153, subdivision 5, is amended to read:

Subd. 5. [ENVIRONMENTAL REVIEW.] *Unless the council and the agency determine under section 33 that the sludge ash disposal facility required by subdivision 1 is not needed,* an environmental impact statement must be completed on the environmental effects of the council's decisions required by subdivision 6. 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. The statement must not address or reconsider alternatives eliminated from consideration pursuant to subdivisions 1 and 2 and must not address the matters subject to decision by the council pursuant to subdivision 6b.

Sec. 33. Minnesota Statutes 1984, section 473.153, is amended by adding a subdivision to read:

Subd. 4a. [NEED FOR FACILITY; OPTION TO TERMINATE SITING.] *The council may determine, by resolution following a public hearing, that the new sludge ash disposal facility to be acquired and established under this section, as required by subdivision 1, is not needed, because the council finds that permitted management methods other than land disposal, together with land disposal of ash on property owned by the commission prior to March 1, 1986, will be sufficient to accommodate all of the commission's ash without the acquisition and establishment of a new facility. A determination of the council that the facility is not needed is subject to review and approval by the pollution control agency. If the agency disapproves, the council and the commission shall proceed to site, acquire, and establish the facility as required by this section. If the agency approves, the council shall terminate the siting process established by this section and permanently dismiss the candidate sites from further consideration as sites for the facility.*

Sec. 34. Minnesota Statutes 1985 Supplement, section 473.153, subdivi-

sion 6b, is amended to read:

Subd. 6b. [CERTIFICATION OF NEED.] ~~No new facility for disposing of The disposal of sludge ash and other waste generated by the commission shall be is not permitted in the metropolitan area without a certification of need issued by the council indicating the council's determination:~~

(a) that the disposal of waste with concentrations of hazardous materials is necessary; and

(b) that ~~additional ash disposal capacity is needed~~ necessary.

The council shall certify need only to the extent that there are no feasible and prudent methods of reducing the concentrations of hazardous materials in the waste and no feasible and prudent alternatives to ash disposal, including large-scale composting and co-composting of sludge, which would minimize adverse impact upon natural resources. Methods and 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 methods or alternatives, including large-scale composting and co-composting of sludge as an alternative to incineration. In its certification the council shall not consider alternatives which have been eliminated from consideration by the selection of sites pursuant to subdivision 2.

Sec. 35. Minnesota Statutes 1984, section 473.516, is amended by adding a subdivision to read:

Subd. 5. Notwithstanding section 473.523, the commission may enter into a negotiated contract with a private person to use the sludge ash generated by the commission in a manufacturing process. The contract may not exceed 30 years."

Page 23, line 28, delete "33" and insert "40"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Dahl moved to amend H.F. No. 1968, as amended by the Senate March 15, 1986, as follows:

(The text of the amended House File is identical to S.F. No. 1952.)

Page 23, after line 15, insert:

"Sec. 33. [SOLID WASTE RECOVERY FACILITY; HENNEPIN COUNTY.]

If a petition is filed with the public utilities commission under Minnesota Statutes, section 216B.164, subdivision 5, before April 1, 1986, by either a utility or a qualifying facility in connection with the operation of a solid waste recovery facility located in Hennepin county, the commission shall resolve the dispute within 120 days of filing. If the decision of the commission is appealed to court, the surety bond provisions of Minnesota Statutes, sections 562.01 to 562.03 and 562.05 shall apply; no additional supercedeas bond shall be required."

Page 23, line 28, delete "33" and insert "34"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mrs. McQuaid moved to amend H.F. No. 1968, as amended by the Senate March 15, 1986, as follows:

(The text of the amended House File is identical to S.F. No. 1952.)

Page 15, after line 25, insert:

"Sec. 27. Minnesota Statutes 1984, section 116.07, is amended by adding a subdivision to read:

Subd. 4j. [PERMITS; WASTE FACILITIES.] The agency may not issue a permit for a new solid waste transfer station within one-fourth mile of a nonretail food warehousing or nonretail food manufacturing facility in excess of 100,000 square feet, unless the facility owner consents."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

CALL OF THE SENATE

Mr. Merriam imposed a call of the Senate for the balance of the proceedings on H.F. No. 1968. The Sergeant at Arms was instructed to bring in the absent members.

The question recurred on the adoption of the McQuaid amendment.

The roll was called, and there were yeas 20 and nays 31, as follows:

Those who voted in the affirmative were:

Anderson	Dahl	Johnson, D.E.	Kronebusch	Olson
Belanger	Frederick	Jude	Laidig	Peterson, D.L.
Benson	Frederickson	Kamrath	McQuaid	Ramstad
Bernhagen	Isackson	Knutson	Mehrrens	Taylor

Those who voted in the negative were:

Adkins	Dieterich	Moe, R.D.	Pogemiller	Stumpf
Berglin	Frank	Nelson	Purfeerst	Wegscheid
Bertram	Kroening	Novak	Reichgott	Willet
Chmielewski	Lantry	Pehler	Rennecke	
Davis	Lessard	Peterson, C.C.	Schmitz	
DeCramer	Merriam	Peterson, D.C.	Sieloff	
Dicklich	Moe, D.M.	Peterson, R.W.	Solon	

The motion did not prevail. So the amendment was not adopted.

Mr. Dahl moved to amend H.F. No. 1968, as amended by the Senate March 15, 1986, as follows:

(The text of the amended House File is identical to S.F. No. 1952.)

Page 21, after line 30, insert:

"Sec. 30. Minnesota Statutes 1984, section 473.806, subdivision 2, is amended to read:

Subd. 2. [ACQUISITION OF TEMPORARY DEVELOPMENT

RIGHTS.] If pursuant to subdivision 1 the council refuses to approve development which is permitted by local development plans, land use classification, and zoning and other official controls applying to the property on February 1, 1983; the land owner may elect to have the county purchase temporary development rights to the property for the period extending from the date when the council approved the site which affects the property for inclusion in the metropolitan inventory of sites until July 1, 1985. The election must be made within 30 days of the council's decision to refuse to approve development. The council shall provide funds, from the proceeds of the bonds issued pursuant to section 473.831, for the county to purchase the temporary development rights. The land owner's compensation shall be determined by the agreement of the owner, the county, and the council. If the parties cannot agree within 60 days of the owner's election, the county shall acquire the temporary development rights through eminent domain proceedings, and the land owner's compensation shall be the fair market value of the temporary development rights. *A landowner who elects under this section to have the county purchase temporary development rights to the landowner's property is entitled to prompt action by the county. If the landowner brings a successful action to compel the county to initiate eminent domain proceedings, the landowner is entitled to petition the court for reimbursement of reasonable costs and expenses, including reasonable attorney, appraisal, and engineering fees that were actually incurred in bringing the action."*

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

H.F. No. 1968 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 52 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Diessner	Kroening	Olson	Schmitz
Anderson	Dieterich	Kronebusch	Pehler	Sieloff
Belanger	Frank	Laidig	Peterson, C.C.	Spear
Benson	Frederick	Lantry	Peterson, D.C.	Stumpf
Berg	Frederickson	Lessard	Peterson, D.L.	Taylor
Berglin	Freeman	McQuaid	Peterson, R.W.	Waldorf
Bernhagen	Isackson	Mehrkens	Petty	Wegscheid
Bertram	Johnson, D.E.	Merriam	Pogemiller	Willet
Chmielewski	Jude	Moe, R.D.	Ramstad	
Dahl	Kamrath	Nelson	Reichgott	
Davis	Knutson	Novak	Renneke	

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

Mr. Merriam moved that S.F. No. 1952, No. 78 on Special Orders, be stricken and laid on the table. The motion prevailed.

SPECIAL ORDER

H.F. No. 1744: A bill for an act relating to education; making changes to the definition of a school; providing for the admission into evidence of certain

attendance records; establishing a task force to make recommendations about compulsory attendance laws; amending Minnesota Statutes 1984, section 120.10, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 634.

Mr. Pehler moved to amend H.F. No. 1744, as amended pursuant to Rule 49, adopted by the Senate March 11, 1986, as follows:

(The text of the amended House File is identical to S.F. No. 1798.)

Page 1, line 16, reinstate the stricken "and"

Page 2, delete sections 2 and 3 and insert:

"Sec. 2. Minnesota Statutes 1984, section 120.10, is amended by adding a subdivision to read:

Subd. 2a. [INFORMATION ABOUT AND PROTECTION FOR CERTAIN INSTRUCTION.] (a) If a parent of a child required to attend school, according to subdivision 1, is providing such child instruction in the home of that child, the parent shall report the name, address, and age of such child to the superintendent of the district in which the child resides. The parent shall not be required to report other information to the superintendent from the effective date of this section until the legislature enacts substantive changes to sections 120.10, 120.11, 120.12, 120.13, 120.14, 120.15, 120.16, 127.19, or 127.20.

(b) A parent of a child required to attend school, according to subdivision 1, may provide instruction according to this paragraph. Instruction may be provided to a child by the parent of that child in the home of that child. The instruction must meet the requirements of subdivision 2. From the effective date of this section until the legislature enacts substantive changes to sections 120.10, 120.11, 120.12, 120.13, 120.14, 120.15, 120.16, 127.19, or 127.20, civil or criminal proceedings shall not be commenced under sections 120.10, 120.12, 127.20, chapter 260, or similar law against a parent complying with this paragraph.

Sec. 3. [COMPULSORY SCHOOL ATTENDANCE TASK FORCE.]

By June 1, 1986, the commissioner of education shall appoint a task force of 14 members to make recommendations about compulsory attendance laws. At least one member shall be from each congressional district. The task force shall be composed of the following: a parent of a private school pupil, a parent of a public school pupil, a home educator, a representative of private sectarian schools, a representative of private nonsectarian schools, a public school teacher, a public school administrator, a representative of a private school accrediting association, a representative of the home educators association, a representative of the nonpublic school advisory committee, a representative of the higher education coordinating board, a representative of the state board of education, a representative of the board of teaching, and the commissioner of education. Members of the task force shall receive expenses according to Minnesota Statutes, section 15.059, subdivision 6.

The task force shall study and make recommendations about various issues related to the compulsory attendance law. Some of the issues to be considered are: standards for pupil performance, including satisfactory

performance on standardized achievement tests; to the extent available, data about pupil achievement in various types of schools; alternative ways to comply with the definition of a school; accreditation; correspondence programs; association with a church or religious organization; supervision by teachers; teacher qualifications in various types of schools, including licensure and ways to determine teacher effectiveness; reporting requirements; methods of enforcement; and penalties for noncompliance.

The department of education shall provide staff assistance to the task force.

The state board of education may review and comment upon the recommendations of the task force.

The task force shall present the recommendations and any comments to the education committees of the legislature by February 1, 1987."

Amend the title as follows:

Page 1, line 3, delete "suspending" and insert "providing for limited"

Page 1, line 4, after the semicolon, insert "prohibiting certain proceedings against a parent providing instruction in the home;"

The motion prevailed. So the amendment was adopted.

Mr. Nelson moved to amend the Pehler amendment to H.F. No. 1744, adopted by the Senate March 15, 1986, as follows:

After section 2 of the Pehler amendment, insert:

"Sec. 3. Minnesota Statutes 1985 Supplement, section 120.17, subdivision 1, is amended to read:

Subdivision 1. [SPECIAL INSTRUCTION FOR HANDICAPPED CHILDREN.] Every district shall provide special instruction and services, either within the district or in another district, for handicapped children of school age who are residents of the district and who are handicapped as set forth in section 120.03. School age means the ages of three birth to 21 years for children who are handicapped as defined in section 120.03 and shall not extend beyond secondary school or its equivalent. For purposes of this subdivision, the age of a handicapped child shall be the age as of September 1 of the calendar year in which the school year for which the child seeks special instruction and services commences. ~~Every district may provide special instruction and services for handicapped children who have not attained school age.~~ Local health, education, and social service agencies shall refer children from under age three to five who are suspected of needing special instruction and services to the school district. ~~For the 1986-1987 and 1987-1988 school years, a school district is encouraged to shall contract with a developmental achievement center when for individual children for up to two years if the interagency early learning committee recommends to the district that the center services are appropriate, the center is cost efficient for the district, and when that the center provides is able to provide continuity of special instruction and services for individual handicapped children under the age of five and their families.~~ Districts with less than the minimum number of eligible handicapped children as determined by the state board shall cooperate with other districts to maintain a full range of programs for

~~education~~ *special instruction* and services for handicapped children. This subdivision does not alter the compulsory attendance requirements of section 120.10.

Sec. 4. Minnesota Statutes 1985 Supplement, section 120.17, subdivision 3, is amended to read:

Subd. 3. [RULES OF THE STATE BOARD.] The state board shall promulgate rules relative to qualifications of essential personnel, courses of study, methods of instruction, pupil eligibility, size of classes, rooms, equipment, supervision, parent consultation, and any other rules it deems necessary for instruction of handicapped children. These rules shall provide standards and procedures appropriate for the implementation of and within the limitations of subdivisions 3a and 3b. These rules shall also provide standards for the discipline, control, management and protection of handicapped children. The state board shall not adopt rules for pupils served in level 1, 2, or 3, as defined in Minnesota Rules, part 3525.2340, establishing either case loads or the maximum number of pupils that may be assigned to special education teachers. The state board, in consultation with the departments of health and human services, may adopt emergency rules and shall adopt permanent rules for instruction and services for children ~~from under age three to five~~ and their families. A developmental achievement center contracting with a school district to provide special instruction and services is eligible for variance from rules relating to personnel licensure. The licensure variance for a developmental achievement center shall be granted according to the same procedures and criteria used for granting a variance to a school district. The state board shall, according to section 14.05, subdivision 4, notify a district applying for a variance from the rules within 45 calendar days of receiving the request whether the request for the variance has been granted or denied. If a request is denied, the board shall specify the program standards used to evaluate the request and the reasons for denying the request.

Sec. 5. Minnesota Statutes 1985 Supplement, section 120.17, subdivision 3a, is amended to read:

Subd. 3a. [SCHOOL DISTRICT OBLIGATIONS.] Every district shall ensure that:

(a) all handicapped children are provided the special instruction and services which are appropriate to their needs;

(b) handicapped children ~~from under age three to five~~ and their families are provided special instruction and services appropriate to the child's level of functioning and needs;

(c) handicapped children and their parents or guardians are guaranteed procedural safeguards and the right to participate in decisions involving identification, assessment and educational placement of handicapped children;

(d) to the maximum extent appropriate, handicapped children, including those in public or private institutions or other care facilities; are educated with children who are not handicapped, and that special classes, separate schooling, or other removal of handicapped children from the regular educational environment occurs only when and to the extent that the nature or severity of the handicap is such that education in regular classes with the use

of supplementary services cannot be achieved satisfactorily;

(e) in accordance with recognized professional standards, testing and evaluation materials and procedures utilized for the purposes of classification and placement of handicapped children are selected and administered so as not to be racially or culturally discriminatory; and

(f) the rights of the child are protected when the parents or guardians are not known or not available, or the child is a ward of the state.

Sec. 6. Minnesota Statutes 1985 Supplement, section 120.17, subdivision 12, is amended to read:

Subd. 12. [INTERAGENCY EARLY LEARNING COMMITTEE.] A district, group of districts, or special education cooperative, in cooperation with the county or counties in which the district or cooperative is located, shall establish an interagency early learning committee for handicapped children under age five and their families. Members of the committee shall be representatives of local and regional health, education, *including representatives of early childhood family education programs*, and county human service agencies; developmental achievement centers; current service providers; parents of young handicapped children; and other private or public agencies as appropriate. The committee shall elect a chair from among its members and shall meet regularly. The committee shall perform the following ongoing duties:

(1) identify current services and funding being provided within the community for handicapped children under the age of five and their families;

(2) establish and evaluate the identification, referral, and community learning systems to recommend, where necessary, alterations and improvements;

(3) facilitate the development of interagency individual education plans when necessary to appropriately serve handicapped children under the age of five and their families;

(4) *implement a process for assuring that services to handicapped children under age five involve the cooperating agencies at all steps leading to individualized programming;*

(5) review and comment on the early learning section of the total special education system for the district; ~~and~~

~~(5) review and comment on the funding sources that currently exist for the services being provided to handicapped children under the age of five and their families in the area~~

(6) *review the funding sources that currently exist for services being provided, reduce duplication of services and related costs and promote a coordinated comprehensive service delivery system in each community;*

(7) *evaluate costs and services provided by a school district, developmental achievement center, and other service providers, and develop recommendations for contracting based on cost effectiveness and appropriateness; and*

(8) *develop a transition plan if a service provider is not recommended to*

continue to provide services.

The departments of education, health, and human services are encouraged to provide assistance to the local agencies in developing cooperative plans for providing services.

Sec. 7. Minnesota Statutes 1985 Supplement, section 120.17, subdivision 13, is amended to read:

Subd. 13. [MAINTENANCE OF EFFORT.] For fiscal year 1986 the departments of education, health, and human services shall not reduce the level of funding for services for handicapped children under age five and their families below the level of funding provided in fiscal year 1985. For the period from July 1, 1985 to June 30, 1986 a local or regional health or human services agency or county board currently providing services to handicapped children under age five and their families through a developmental achievement center or other delivery system shall not decrease the level of services or the dollar amount provided for the services below the level of services or the dollar amount provided by it for the period from July 1, 1984 to June 30, 1985. For the 1985-1986 school year a school district currently providing services to handicapped children under age five and their families shall not decrease the level of services or the expenditure level below the level of services or the dollar amount provided by it in the 1984-1985 school year.

Beginning with the period from July 1, 1986 to June 30, 1987, a local or regional health or human services agency or county board shall not decrease the level of services or the dollar amount provided for those services below the level of services or the dollar amount provided by it for the period from July 1, 1984 to June 30, 1985 unless the county and school district have entered into an agreement for continued funding of services to handicapped children and their families and a copy of the agreement has been filed with the departments of education, health, and human services. This prohibition applies to all funding levels regardless of the source.

From July 1, 1986 until the county and school district have entered into an agreement, local and regional health and human services agencies, county boards, school districts, and the departments of education, health, and human services shall increase the level of services and the dollar amount provided for those services at least in proportion to the increase in the number of handicapped children under age five and their families who are served.

If a school district enters into an agreement with a county board according to this subdivision and if the district contracts with a service provider that is funded by a county board on the effective date of this act, the county board, for two years after the agreement, shall maintain at least the same level of services and dollar amount provided by the county board from July 1, 1984, to June 30, 1985, for services for handicapped children under the age of five and their families.

From July 1, 1986, until two years after an agreement between the county and a school district, the county board's payment may be reduced if and to the extent that state payments for programs related to handicapped children under the age of five and their families are reduced.

If a local, regional, or state health or human services agency or county

board is authorized to charge a fee or other charges for services to handicapped children under the age of five and their families, it may annually increase the fee or other charges over the amount charged during the previous year only by the rate of the increase in the revised consumer price index for the Minneapolis-St. Paul metropolitan area prepared by the United States department of labor.

This subdivision applies only to services that are special instruction and services, within the meaning of this section, and that reasonably would be the responsibility of a school district.

Sec. 8. Minnesota Statutes 1984, section 120.17, is amended by adding a subdivision to read:

Subd. 14. [DISTRICT PLAN FOR CHILDREN UNDER AGE FIVE.] *Every district's total special education services plan shall include a plan for the delivery of special instruction and services to handicapped children under age five in accordance with applicable rules of the state board. This plan shall be developed only after receiving the report and recommendations of the interagency early learning committee, as specified in subdivision 12. The district's plan shall document the findings and recommendations of the committee. The plan shall include procedures for:*

(1) processing of all referrals for special instruction and services for handicapped children under the age of five;

(2) assuring that formal and informal assessments are given by appropriate personnel trained in the area of the suspected handicap;

(3) assuring that special instruction and services are available to all eligible handicapped children under age five and their families; and

(4) assuring that, where county funding has existed in the past for handicapped children under the age of five and their families, a county and school district collaborative funding program will be considered.

Sec. 9. Minnesota Statutes 1984, section 121.496, is amended to read:

121.496 [STATE DEPARTMENT OF EDUCATION TO FURNISH LIST OF BOOKS LIBRARY AND INFORMATION SERVICES DUTIES.]

Subdivision 1. [BOOKLISTS.] The state department of education shall from time to time prepare and amend a list of books suitable for school libraries, including dictionaries and other books of reference, histories and works of biography, literature, political economy, agriculture, travel, and science.

Subd. 2. [PROVIDING OTHER INFORMATION.] The department may provide library information services it considers appropriate and necessary to any state agency, governmental unit, nonprofit organization, or private entity. The department may collect reasonable fees not to exceed its actual costs for providing the information services. The department may also accept money from any public or private source to defray the cost of providing the information services.

Subd. 3. [OPEN APPROPRIATION.] The fees charged and money accepted by the department under subdivision 2 shall be deposited in the state treasury and credited to a special account. Money in the account is

appropriated to the department to defray the costs of providing the information services.

Sec. 10. [121.508] [CENTERS FOR LEARNING OPPORTUNITIES.]

Subdivision 1. [LEGISLATIVE FINDINGS AND PURPOSE.] The legislature finds that there is a need to improve and strengthen educational opportunities for unique pupils who have not experienced success in traditional high school programs. A coordinated approach by various public and private agencies and organizations can develop programs to meet pupil needs. The legislature intends to assist all school districts in the state by demonstrating various ways to cooperatively serve the unique needs of all pupils.

Subd. 2. [EXEMPLARY PROGRAMS.] The state board of education shall select five exemplary programs that serve pupils who have not experienced success in traditional school programs. These programs shall be designated as centers for learning opportunities.

Subd. 3. [SELECTION FACTORS.] The state board shall base selection of exemplary programs on one or more of the following factors when it reviews program applications:

(a) The program uses formal partnerships with business, industry, community organizations, and other agencies to provide support and learning opportunities for pupils in the program.

(b) The program is supported by private foundations and agencies without restrictions.

(c) The program serves adults who do not have a high school diploma, or the equivalent, as well as secondary school pupils.

(d) The program is sponsored by school districts, agencies supported by state and federal funds, local private industry councils, and special demonstrations under the job training partnership act.

(e) The program has been developed with the involvement of cooperating school districts and regional educational organizations such as educational cooperative service units, receives funding from interdistrict cooperation revenues, and exhibits cooperative sharing of facilities, staff, and other resources.

(f) The school board and appropriate exclusive representatives have negotiated agreements to modify certain unrequested leave of absence provisions, to use guest or special expert instructors, and to receive assistance from employees of noneducational agencies. The state board of education and the board of teaching have granted, to the extent necessary, variances for programs and personnel according to their rules and procedures.

(g) The program uses opportunities available under the post-secondary enrollment options act to provide appropriate post-secondary education for pupils with assessed needs.

(h) The school districts with pupils participating in the program have entered into agreements allowing foundation revenue to follow participating pupils.

Subd. 4. [PROGRAM LOCATION.] No more than two programs may be

located in the seven-county metropolitan area.

Subd. 5. [TIMING.] The state board shall determine its criteria for selection by August 1, 1986. Applications may be made until January 1, 1987. Final selection shall be made by March 1, 1987.

Subd. 6. [ADDITIONAL FUNDING.] A center for learning opportunities may use money and services received from foundations, private organizations, and state and federal programs.

Subd. 7. [DISSEMINATION.] All programs that are selected must conduct state and regional workshops to promote the awareness of unique pupil needs and to assist districts in developing alternative ways to meet the needs.

Sec. 11. Minnesota Statutes 1984, section 121.612, subdivision 5, is amended to read:

Subd. 5. [REPORT.] By February 1, 1984, and February 1, 1985 of each year, the board of directors of the foundation shall report to the education committees of the legislature on about the progress of its activities made pursuant to the provisions of this section.

Sec. 12. Minnesota Statutes 1984, section 121.612, is amended by adding a subdivision to read:

Subd. 6. [CONTRACTS.] The board of directors may contract for professional, consulting, technical, or clerical services.

Sec. 13. Minnesota Statutes 1984, section 121.612, is amended by adding a subdivision to read:

Subd. 7. [REVENUE.] State or private money received by the foundation must be deposited in the state treasury and credited to a special account for the foundation. The foundation has sole authority to spend its money and may make reasonable expenditures to carry out the functions of the foundation. A portion of the annual amount appropriated for the foundation may be used by the board of directors for an expense allowance. The amount of and procedures for the expense allowance are as provided in section 15A.081, subdivision 8. The foundation may carry forward any unexpended balance from the first year of the biennium to the second year.

Sec. 14. Minnesota Statutes 1985 Supplement, section 121.882, subdivision 2, is amended to read:

Subd. 2. [PROGRAM CHARACTERISTICS.] Early childhood family education programs are programs for children in the period of life from birth to kindergarten, for the parents of such children, and for expectant parents. Principals shall have a major leadership role in developing these programs. The programs may include the following:

- (1) programs to educate parents about the physical, mental, and emotional development of children;*
- (2) programs to enhance the skills of parents in providing for their children's learning and development;*
- (3) learning experiences for children and parents;*
- (4) activities designed to detect children's physical, mental, emotional, or*

behavioral problems that may cause learning problems;

(5) educational materials which may be borrowed for home use;

(6) information on related community resources; or

(7) other programs or activities.

The programs shall not include activities for children that do not require substantial involvement of the children's parents. The programs shall be reviewed periodically to assure the instruction and materials are not racially, culturally, or sexually biased. The programs shall encourage parents to be aware of practices that may affect equitable development of children.

Sec. 15. Minnesota Statutes 1984, section 122.535, subdivision 2, is amended to read:

Subd. 2. [AGREEMENT.] The school board may enter into one or more agreements providing for instruction of its secondary pupils in one or more districts. The agreement shall be effective on July 1 and shall be for a specified or indefinite number of years. The agreement shall set forth the obligations of transportation, the tuition to be paid to the providing district, and all additional charges and fees to be paid to the providing district. The amount of tuition shall not be subject to the provisions of section 124.18, subdivision 2. The agreement may provide for negotiation of a plan for the assignment or employment in a providing district as an exchange teacher according to section 125.13, or placement on unrequested leave of absence of teachers whose positions are discontinued as a result of the agreement. *When no plan has been negotiated, a providing district that is filling a position resulting from implementation during the first 12 months of implementation of the agreement shall first offer the position to an available teacher. If no available teacher accepts the position, the board may fill the position with another teacher. For purposes of this subdivision, "available teacher" means a teacher who (1) is currently employed by a district that has entered into an agreement under this section, (2) was placed on unrequested leave of absence according to section 125.12 by a district that has entered into an agreement under this section not more than one year before implementation of the agreement, and (3) has been notified of being placed on unrequested leave of absence according to section 125.12 by a district that has entered into an agreement under this section.* "Teacher" has the meaning given it in section 125.12, subdivision 1.

Sec. 16. Minnesota Statutes 1984, section 123.39, subdivision 4, is amended to read:

Subd. 4. [ATTENDING OTHER DISTRICTS; TUITION PAID.] The board may provide for the instruction of any resident pupil in another district when inadequate room, distance to school, unfavorable road conditions, or other facts or conditions make attendance in his own district unreasonably difficult or impractical, ~~in which case such~~. The district of residence shall pay to the district ~~so attended of attendance the amount of tuition agreed upon or charged, pursuant to section 124.18, subdivision 2, and may provide transportation; provided, that such~~. The pupil shall continue to be a pupil of the district of his residence for the payment of apportionment and other state aids. *The board and the exclusive representative may negotiate a plan for assigning or employing teachers, as an exchange teacher according to sec-*

tion 125.13, in the district of attendance or for placing teachers on unrequested leave of absence if their positions are discontinued as a result of pupils attending nonresident districts under this subdivision. If no plan is negotiated, a board filling a teaching position resulting from an agreement under this subdivision shall first offer the position to an available teacher. If no available teacher accepts the position, the board may fill the position with another teacher. For purposes of this subdivision, "available teacher" means a teacher (1) who is currently employed by the district of residence, and (2) as a result of an agreement under this subdivision, is on or has been notified of being placed on unrequested leave of absence according to section 125.12.

Sec. 17. [123.59] [EDUCATION DISTRICTS.]

Subdivision 1. [PURPOSE.] The purpose of an education district is to increase options for learning and access to educational opportunities by facilitating cooperation and coordination among school districts and between school districts and post-secondary institutions.

Subd. 2. [CRITERIA.] An education district may be formed by a group of school districts that, at the time of formation, meets one of the following criteria:

(1) two or more districts with a combined total enrollment of more than 20,000 pupils in average daily membership; or

(2) a group of districts that has at least 5,000 pupils in average daily membership or at least five districts and, in either case, has cooperated for at least one school year under sections 122.541, 123.351, 471.59, or other formal agreements recognized by the department of education; or

(3) a group of districts that has at least 10,000 pupils in average daily membership or at least ten districts or 7,500 square miles and, in any case, has an agreement to cooperatively provide educational services.

Subd. 3. [EDUCATION DISTRICT BOARD.] Based on needs of member districts, an education district board shall coordinate the programs and services of the education district. The board shall consist of one representative appointed by the school board of each district forming the education district, except that the boards of the districts forming the education district may designate a board already established under sections 123.33, 123.351, 123.51, 123.58, chapter 136D, or section 471.59 to be the education district board. The board shall select its officers from among its members and shall specify the terms of officers.

Subd. 4. [JOINER AND WITHDRAWAL.] A process for additional districts to join the education district and for districts to withdraw from the education district shall be determined at the time of the education district formation.

Subd. 5. [DUTIES AND POWERS OF THE EDUCATION DISTRICT BOARD.] (a) The education district board shall develop and maintain a plan as specified in subdivision 7 for delivering educational services needed in the education district.

(b) The board may employ teachers and other staff as necessary to provide and support the programs and services of the education district. The board

may discharge teachers according to section 125.12. Education district staff shall participate in retirement programs and may participate in any other programs available to school district staff.

(c) The board may enter into contracts with school districts and other public and private agencies to provide services needed in the education district.

(d) The board shall be governed, unless otherwise provided, by laws applicable to independent school districts.

(e) The board shall submit a report each year about the activities of the education district to member districts on a date agreed to by the districts and by October 1 to the state board of education.

(f) The board is encouraged to publish and make available information about education district programs to the residents of an education district.

Subd. 6. [ADVISORY COUNCIL.] An advisory council, consisting of representatives from the program areas covered by the education district plan, shall be appointed by the education district board.

Subd. 7. [EDUCATION DISTRICT PLAN.] An education district board shall develop a comprehensive plan for continuous learning. The plan must address methods to improve the educational opportunities available in the education district.

The plan must be submitted for review to all educational cooperative service units serving the area in which the school districts forming the education district are located. After review by the ECSU, the plan must be submitted to the state board of education for its review and comment. The education district board shall review the plan annually and make appropriate changes.

Subd. 8. [MANDATORY PLAN COMPONENTS.] The education district plan must provide for the following:

(1) coordination of member district and education district programs for handicapped pupils, gifted and talented pupils, secondary vocational education, improved learning, community education, early childhood family education, and low incidence programs;

(2) research, planning and development functions, such as educational effectiveness programs, within the education district; and

(3) methods to meet needs for pupil health services and library services for professional staff within the educational district.

Subd. 9. [OPTIONAL PLAN COMPONENTS.] The education district plan may also include the following:

(1) methods for secondary pupils to enroll in courses in other school districts and in post-secondary institutions;

(2) methods for sharing administrative support and management services;

(3) professional development programs, including implementation of excellence in teaching and curriculum programs according to sections 126.70 to 126.72;

(4) programs that use learning time available during the summer; or

(5) use of technology to deliver education programs and provide management assistance.

Subd. 10. [ATTENDANCE IN OTHER DISTRICTS.] An education district board may provide for a pupil who is a resident of a member district to attend programs or courses offered by another district that is a member of the education district. A pupil and parent shall consult with a career teacher, counselor, or principal about attending the nonresident district. The board may develop procedures to reimburse a district for the cost of providing instruction to a nonresident pupil or the board may follow section 124.18, subdivision 2. The resident district shall count its resident pupils attending programs or courses in another district for the purpose of state aid and levy limitations. A resident district may provide transportation and receive transportation aid for its resident pupils attending programs or courses in another district.

Subd. 11. [ATTENDANCE AT POST-SECONDARY INSTITUTIONS.] An education district board may provide for a secondary pupil who is a resident of a member district to enroll in courses offered by or in conjunction with post-secondary institutions. A pupil and parent shall consult with a career teacher, counselor, or principal about attending post-secondary courses. Credit shall be determined according to sections 123.3512 and 123.3513. Reimbursement for instruction offered by the post-secondary institution may be determined according to an agreement between the post-secondary institution and the education district board. A resident and nonresident district may provide transportation on a regular school bus route for any pupil enrolled in a course offered by a post-secondary institution. This subdivision does not prevent a pupil from attending a post-secondary institution under section 123.3514.

Subd. 12. [FILLING TEACHING POSITIONS.] When an education district board or a school board of a district that is a member of the education district is filling a position resulting from implementation of the education district plan, the board shall first offer the position, as an exchange teacher according to section 125.13, to an available teacher. If no available teacher accepts the position, the board may fill the position with another teacher. For purposes of this subdivision, "available teacher" means a teacher who (1) is currently employed by a district that is a member of an education district, (2) was placed on unrequested leave of absence according to section 125.12 or 125.17 not more than one year before the formation of the education district by a district that is a member of the education district, (3) was placed on unrequested leave of absence according to section 125.12 or 125.17 after the formation of the education district by a district that is a member of the education district, or (4) has been notified of being placed on unrequested leave of absence according to section 125.12 or 125.17 by a district that is a member of an education district. "Teacher" has the meaning given it in section 125.12, subdivision 1.

Subd. 13. [EDUCATIONAL COOPERATIVE SERVICE UNITS.] If requested, educational cooperative service units shall provide assistance to districts in establishing education districts. The assistance may include determination of appropriate boundaries of the education district and devel-

opment of the comprehensive plan for learning. The educational cooperative service units may provide any other services requested by the education district.

Subd. 14. [REPORT TO LEGISLATURE.] By January 15 of each year the state board of education shall report to the education committees of the legislature about the education districts that are established and the programs offered.

Sec. 18. Minnesota Statutes 1984, section 123.741, subdivision 1, is amended to read:

Subdivision 1. ~~The Each school board of each school district in the state shall adopt a written planning, evaluation, and reporting policy which that establishes:~~ (1) instructional goals and measurable learner objectives for the district; (2) a process for achieving these goals; ~~that assures consistency between the goals and the learner expectations;~~ (3) a process to provide pupils with guidance in educational planning; and (4) procedures for evaluating and reporting progress toward the goals. These goals shall include meeting the curriculum requirements adopted by the state board of education. The school board shall review this policy each year and identify annual instructional goals and measurable learner objectives to be addressed during the current school year. School boards are encouraged to develop this ~~school district~~ policy and any revisions after consultation with the staff of each school building. In formulating the policy, the school board ~~of a district~~ is encouraged to consider: (a) the number of dropouts of school age in the district and the reasons for the dropouts; (b) existing programs within the district for dropouts and potential dropouts and (c) program needs of dropouts and potential dropouts.

Sec. 19. Minnesota Statutes 1985 Supplement, section 123.741, subdivision 6, is amended to read:

Subd. 6. [REPORT.] By ~~September~~ October 1 of each even-numbered year, the school board shall adopt a report which shall include the following:

(a) annual instructional goals which were addressed for that year in the planning, evaluation, and reporting process;

(b) appropriate evaluation of the annual instructional goals;

(c) the results of the professional staff evaluation including local assessment data obtained pursuant to section 123.742, subdivision 2, and any additional appropriate test data;

(d) the results of the consumer evaluation;

(e) the annual school district improvement plans; and

(f) a plan for implementing an assurance of mastery program.

Every other year the report shall include an evaluation of the assessment programs pursuant to subdivision 7.

The school board shall disseminate the report to all residents of the district by publication in the local newspaper with the largest circulation in the district, by newsletter, or through the United States postal service. The report shall be on file and available for inspection by the public. A copy of the report

which is disseminated to the community shall be sent to the commissioner of education by ~~September~~ *October* 1 of each *even-numbered* year. The school board shall provide a copy of the commissioner's response to the report to the curriculum advisory committee. All activities and reports pursuant to this section shall comply with chapter 13, and any other law governing data on individuals in school districts.

Sec. 20. Minnesota Statutes 1985 Supplement, section 123.742, subdivision 1a, is amended to read:

Subd. 1a. [STATE CURRICULUM ADVISORY COMMITTEE; LEGISLATIVE REPORT.] The commissioner shall appoint an 11-member state curriculum advisory committee to advise the state board and the department on the planning, evaluation, and reporting process. The committee shall consist of nine members, one appointed from each educational cooperative service unit, and two at-large members. The committee shall include representation from the state board of education, parents, teachers, administrators, and school board members. Each member shall be a present or past member of a school district curriculum advisory committee. The committee shall provide information and recommendations on at least the following:

- (1) department procedures for approving reports and disseminating information;
- (2) exemplary planning, evaluation, and reporting processes; and
- (3) recommendations for improving the planning, evaluation, and reporting process.

By ~~January~~ *February* 1 of each year, the commissioner shall prepare a report for the education committees of the legislature on the planning, evaluation, and reporting program, which shall include the recommendations of the state curriculum advisory committee.

Sec. 21. Minnesota Statutes 1985 Supplement, section 124.223, is amended to read:

124.223 [TRANSPORTATION AID AUTHORIZATION.]

School transportation and related services for which state transportation aid is authorized are:

- (1) [TO AND FROM SCHOOL; BETWEEN SCHOOLS.] Transportation or board of resident elementary pupils who reside one mile or more from the public schools which they could attend; transportation or board of resident secondary pupils who reside two miles or more from the public schools which they could attend *or from the public school they actually attend for academic reasons, if approved by the commissioner*; transportation to, from, or between the schools the resident pupils attend pursuant to a program approved by the commissioner of education; transportation of resident elementary pupils who reside one mile or more from a nonpublic school actually attended; transportation of resident secondary pupils who reside two miles or more from a nonpublic school actually attended; but with respect to transportation of pupils to nonpublic schools actually attended, only to the extent permitted by sections 123.76 to 123.79;

- (2) [OUTSIDE DISTRICT.] Transportation to and from or board and

lodging in another district, of resident pupils of a district without a secondary school; the pupils may attend a classified secondary school in another district and shall receive board and lodging in or transportation to and from a district having a classified secondary school at the expense of the district of the pupil's residence;

(3) [SECONDARY VOCATIONAL CENTERS.] Transportation to and from a state board approved secondary vocational center for secondary vocational classes for resident pupils of any of the districts who are members of or participating in programs at that center;

(4) [HANDICAPPED.] Transportation or board and lodging of a handicapped pupil when that pupil cannot be transported on a regular school bus, the conveying of handicapped pupils between home and school and within the school plant, necessary transportation of handicapped pupils from home or from school to other buildings, including centers such as developmental achievement centers, hospitals and treatment centers where special instruction or services required by section 120.17 are provided, within or outside the district where services are provided, and necessary transportation for resident handicapped pupils required by section 120.17, subdivision 4a. Transportation of handicapped pupils between home and school shall not be subject to the requirement in clause (1) that elementary pupils reside at least one mile from school and secondary pupils reside at least two miles from school in order for the transportation to qualify for aid;

(5) [BOARD AND LODGING; NONRESIDENT HANDICAPPED.] When necessary, board and lodging for nonresident handicapped pupils in a district maintaining special classes;

(6) [SHARED TIME.] Transportation from one educational facility to another within the district for resident pupils enrolled on a shared time basis in educational programs approved by the commissioner of education, and necessary transportation required by section 120.17, subdivision 9 for resident handicapped pupils who are provided special instruction and services on a shared time basis;

(7) [FARIBAULT STATE SCHOOLS.] Transportation for residents to and from the Minnesota school for the deaf or the Minnesota braille and sight-saving school;

(8) [SUMMER INSTRUCTIONAL PROGRAMS.] Services described in clauses (1) to (7) and (9) and (10) when provided in conjunction with a summer program eligible for aid and levy under sections 124A.03 and 124A.033;

(9) [COOPERATIVE ACADEMIC AND VOCATIONAL.] Transportation to, from or between educational facilities located in any of two or more school districts jointly offering academic classes approved by the commissioner or secondary vocational classes not provided at a secondary vocational center which are approved by the commissioner for resident pupils of any of these districts; and

(10) [NONPUBLIC SUPPORT SERVICES.] Necessary transportation within district boundaries between a nonpublic school and a public school or a neutral site for nonpublic school pupils who are provided pupil support services pursuant to section 123.935; and

(11) [COMMISSIONER APPROVAL.] *The commissioner of education is encouraged to approve attendance at a public school for academic reasons rather than extracurricular reasons when the public school is not the school the pupils could attend.*

Sec. 22. [124.261] [ADULT LITERACY PROGRAM.]

Subdivision 1. [PURPOSE OF THE PROGRAM.] To provide adults who are without the fundamental skills needed to be self-sufficient, to participate fully in society, to improve learning, and to improve the quality of life, state aid shall be paid. Adult literacy programs are designed for motivated adults to achieve education above the minimum levels. A district with a program approved by the commissioner of education may levy and receive aid according to this section. Reasonable fees may be charged to participate in the program.

Subd. 2. [ADDITIONAL FUNDING.] Money from public or private organizations may be used by a district to supplement the revenue available under this section.

Subd. 3. [LIMITATION.] A district may receive revenue under this section or section 124.26 but not both.

Subd. 4. [MAXIMUM REVENUE.] The maximum revenue a district may receive under this section is an amount equal to the product of .002 times the foundation aid formula allowance for the current school year, multiplied by the population of the district. The district population, for the purposes of this section, is as provided in section 275.14 or as certified by the commissioner of education from the most recent federal census if that is requested by the district.

Subd. 5. [AID.] If a district levies for its adult literacy program according to section 44, it shall receive adult literacy aid equal to:

(1) the difference between the maximum revenue, as set forth in subdivision 4, and the permitted levy attributable to the same school year, times

(2) the ratio of the district's actual levy to its permitted levy attributable to the same school year.

Subd. 6. [USE OF REVENUE.] Adult literacy revenue shall be used only for adult literacy programs.

Sec. 23. Minnesota Statutes 1984, section 124.272, subdivision 1, is amended to read:

Subdivision 1. [LIMITATION.] This section shall not apply to Special School District No. 1, Independent School Districts Nos. 41, 625, and 709, or to school districts which are members of Intermediate School Districts Nos. 287, 916, and 917. Special school district No. 1 and independent school districts Nos. 11, 625, and 709 shall be eligible only if they are implementing an education district plan according to section 15.

Sec. 24. Minnesota Statutes 1984, section 124.272, subdivision 2, is amended to read:

Subd. 2. [ELIGIBLE DISTRICTS.] A district shall be eligible for inter-district cooperation aid if it has entered into a cooperation agreement and if it

has a cooperation plan approved by the commissioner of education *or if it is implementing an education district plan according to section 17.*

Sec. 25. Minnesota Statutes 1985 Supplement, section 124.272, subdivision 3, is amended to read:

Subd. 3. [COOPERATION PLAN.] To receive aid or to levy pursuant to section 275.125, subdivision 8a a district shall submit to the commissioner of education an application for aid by August 15. The application shall *certify that the district intends to implement an education district plan according to section 17 or* contain the following:

(a) a three-year plan to improve the district curriculum, which gives priority to offering of any of the following: a three-year mathematics sequence in grades 10 to 12, a three-year science sequence in grades 10 to 12, a two-year foreign language sequence, elementary and secondary courses in computer usage, or other programs recommended by the state board;

(b) an assurance that the proposed curriculum in clause (a) has been developed in conjunction with the planning, evaluation, and reporting process of section 123.741;

(c) a copy of the cooperation agreement;

(d) a description of the proposed increase in curriculum offerings resulting from the agreement;

(e) the estimated instructional cost of the cooperation plan for the following fiscal year;

(f) the attributable administrative cost, that may not exceed five percent of the instructional costs, of the cooperation plan for the following fiscal year; and

(g) other information required by the commissioner.

Sec. 26. Minnesota Statutes 1984, section 124.272, subdivision 4, is amended to read:

Subd. 4. [DEFINITION.] (a) A district's "interdistrict cooperation revenue" shall equal the lesser of:

(1) \$50 times the actual pupil units for that school year;

(2) the estimated cost to the district of the interdistrict cooperation program for the school year to which the levy is attributable; or

(3) \$50,000.

Beginning in the 1987-1988 school year, the interdistrict cooperation revenue for a district that has entered into an education district may be increased by the lesser of \$25 times the actual pupil units for that school year or \$25,000.

(b) A district's "interdistrict cooperation levy limitation" means its levy limitation computed according to section 275.125, subdivision 8a.

Sec. 27. Minnesota Statutes 1984, section 124.272, is amended by adding a subdivision to read:

Subd. 4a. [LIMITATION ON USE OF REVENUE.] *The proceeds of the*

interdistrict cooperation revenue may only be used to pay for instructional costs and administrative costs, that may not exceed five percent of the instructional costs, incurred in providing the program offerings resulting from the cooperation plan. However, the five percent limitation on administrative costs does not apply to the increased revenue for a district that has entered into an education district.

Sec. 28. Minnesota Statutes 1984, section 124A.03, subdivision 2, is amended to read:

Subd. 2. [REFERENDUM LEVY.] (1) The levy authorized by subdivision 1 may be increased in any amount which is approved by the voters of the district at a referendum called for the purpose. The referendum may be called by the school board or shall be called by the school board upon written petition of qualified voters of the district. The referendum shall be held on a date set by the school board. Only two elections may be held to approve a levy increase which will commence in a specific school year. The ballot shall state the maximum amount of the increased levy in mills, the amount that will be raised by that millage in the first year it is to be levied, and that the millage shall be used to finance school operations. The ballot may designate a specific number of years for which the referendum authorization shall apply. The ballot may contain a textual portion with the information required in this subdivision and a question stating substantially the following:

“Shall the increase in the levy proposed by (petition to) the board of _____, School District No. _____, be approved?”

If approved, the amount provided by the approved millage applied to each year's taxable valuation shall be authorized for certification for the number of years approved, if applicable, or until revoked or reduced by the voters of the district at a subsequent referendum.

(2) A referendum on the question of revoking or reducing the increased levy amount authorized pursuant to clause (1) of this subdivision may be called by the school board and shall be called by the school board upon the written petition of qualified voters of the district. A levy approved by the voters of the district pursuant to clause (1) of this subdivision must be made at least once before it is subject to a referendum on its revocation or reduction for subsequent years. Only one such revocation or reduction election may be held to revoke or reduce a levy for any specific year and for years thereafter.

(3) A petition authorized by clause (1) shall be effective if signed by a number of qualified voters in excess of 15 percent, or ten percent if the school board election is held in conjunction with a general election, of the average number of voters at the two most recent district wide school elections. A referendum invoked by petition shall be held within three months of submission of the petition to the school board.

(4) A petition authorized by clause (2) shall be effective if signed by a number of qualified voters in excess of five percent of the residents of the school district as determined by the most recent census. *In a district that has held an election to reduce or revoke a specific levy authority, any petition for a later election to reduce or revoke that authority is effective only if signed by a number of qualified voters in excess of ten percent of the residents of the school district as determined by the most recent census.* A revocation or

reduction referendum invoked by petition shall be held within three months of submission of the petition to the school board.

(5) Notwithstanding any law to the contrary, the approval of 50 percent plus one of those voting on the question is required to pass a referendum.

(6) Within 30 days after the district holds a referendum pursuant to this clause, the district shall notify the commissioner of education of the results of the referendum.

Sec. 29. Minnesota Statutes 1984, section 124A.03, is amended by adding a subdivision to read:

Subd. 4a. [SUMMER EDUCATIONAL IMPROVEMENT LEVY.] Each year a district may levy for summer educational improvement an amount equal to the following product:

(a) the district's summer educational improvement revenue allowance, as defined in section 30, for the summer in the next calendar year, times

(b) the lesser of

(1) one, or

(2) the ratio of the quotient derived by dividing the adjusted assessed valuation of the district in the second preceding year by the total pupil units in the district in the current regular school year, to the equalizing factor for the current school year.

Sec. 30. Minnesota Statutes 1985 Supplement, section 124A.033, subdivision 2, is amended to read:

Subd. 2. [DEFINITIONS.] For the purposes of computing foundation aid for summer programs and intersession classes of flexible school year programs, the following phrases shall have the meanings given them.

(1) "Summer program pupil units" means full-time equivalent pupil units, computed under section 124.17, for summer programs and intersession classes of flexible school year programs.

(2) "Summer program revenue allowance" means an amount equal to the product of the number of summer program pupil units in a district, times the foundation aid formula allowance as defined in section 124A.02 for the preceding regular school year.

(3) "Summer program aid" means aid for summer programs and intersession classes of flexible school year programs.

(4) "Summer educational improvement revenue allowance" means an amount equal to the product of 0.005 times the number of actual pupil units in the preceding school year, times the formula allowance for the preceding school year.

Sec. 31. Minnesota Statutes 1984, section 124A.033, is amended by adding a subdivision to read:

Subd. 6. [SUMMER EDUCATIONAL IMPROVEMENT AID.] Summer educational improvement aid for each summer shall be paid in the fiscal year during which the summer ends. For the summer of 1987 and each summer thereafter, a district shall receive summer educational improvement aid

equal to:

(1) the difference between the district's summer educational improvement revenue allowance and the permitted levy, according to section 29, times

(2) the ratio of the district's actual levy to its permitted levy, certified in the calendar year prior to the summer.

Sec. 32. Minnesota Statutes 1984, section 124A.033, is amended by adding a subdivision to read:

Subd. 7. [USES OF AID AND LEVY.] Summer educational improvement aid and levy may be used for expenditures during the summer for curriculum development, staff development, parent or community involvement, experimental educational delivery systems, and other measures designed for improved learning.

Sec. 33. [125.033] [LICENSURE EXCEPTION.]

Notwithstanding any law to the contrary, a teacher holding at least one secondary license in English language arts, mathematics, social studies, developmental reading, or remedial reading may teach any of the listed subject areas even if not licensed during the time the teacher is teaching at a center for learning opportunities according to section 10.

Sec. 34. Minnesota Statutes 1984, section 125.05, subdivision 6, is amended to read:

Subd. 6. [LIMITED PROVISIONAL LICENSES.] The board of teaching may shall grant provisional licenses, which shall be that are valid for two years, in fields in which licenses were not issued previously or in fields in which a shortage of licensed teachers exists. A shortage shall be defined as is a lack of or an inadequate supply of licensed personnel within a given particular licensure area in a school district that has notified the board of teaching of the shortage and has applied to the board of teaching for provisional licenses for that district's licensed staff.

Sec. 35. Minnesota Statutes 1984, section 134.09, subdivision 1, is amended to read:

Subdivision 1. [APPOINTMENT.] When public library service is established, except in any city of the first class operating under a home rule charter, the mayor of the city with the approval of the council for a city library or the board of commissioners for a county library, shall appoint a board of five, seven or nine members from among the residents of the city or county. If the city library is a branch or a member of a regional public library system, as defined in section 134.001, the mayor, with the approval of the city council, may appoint to the city library board, residents of the county, provided that the county is participating in the regional public library system and that the majority of the members of the city library board are residents of the city. The number of members on the board shall be determined by resolution or ordinance adopted by the council or the board of commissioners. Not more than one council member or county commissioner shall at any time be a member of the library board. The appointments shall be made before the first meeting of the library board after the end of the fiscal year.

Sec. 36. Minnesota Statutes 1984, section 134.09, is amended by adding a

subdivision to read:

Subd. 1a. [EXCEPTION.] The mayor, with the approval of the council, may appoint a resident of the area that is taxed to support a city library to the city library board.

Sec. 37. Minnesota Statutes 1984, section 134.31, subdivision 2, is amended to read:

Subd. 2. The department of education shall give advice and instruction to the managers of any public library or to any governing body maintaining a library or empowered to do so by law upon any matter pertaining to the organization, maintenance, or administration of libraries. The department may also give advice and instruction, as requested, to the managers of any library in a post-secondary educational institution institutions, state agencies, governmental units, nonprofit organizations, or private entities. It shall assist, to the extent possible, in the establishment and organization of library service in those areas where adequate services do not exist, and may aid in improving previously established library services.

Sec. 38. Minnesota Statutes 1984, section 134.31, subdivision 3, is amended to read:

Subd. 3. The department may provide, for any library in the state, books, journals, audiovisual items, reference information services or resource materials it deems appropriate and necessary and shall encourage the sharing of library resources and the development of interlibrary cooperation.

Sec. 39. [135A.10] [CREDIT FOR ADVANCED PLACEMENT PROGRAM.]

Subdivision 1. [POLICY AND PROCEDURES TO AWARD CREDIT.] The board of regents of the University of Minnesota, the state university board, and the state board for community colleges shall each develop a clear and uniform policy for its system for awarding post-secondary credit toward a degree for a student who earns an acceptable score on an advanced placement program examination. Each policy must include procedures to inform students and prospective students about credit award and procedures to assure implementation on each campus. The higher education coordinating board shall assist in developing the policy.

Subd. 2. [DATA ABOUT CREDIT AWARD.] Each year the University of Minnesota, state universities, and community colleges must provide the higher education coordinating board information and data about credit awarded for advanced placement program examinations.

Sec. 40. Minnesota Statutes 1984, section 136D.27, is amended to read:

136D.27 [TAX LEVIES, CERTIFICATES OF INDEBTEDNESS.]

Each year the joint school board may each year, for the purpose of paying any administrative, planning, operating, or capital expenses incurred or to be incurred for area vocational technical schools, may certify to each participating school district the tax levy specified in section 275.125, subdivision 13, clause (2). Additional tax levies may be certified which shall not in any year exceed .6 mills on each dollar of adjusted assessed valuation for special education and .7 mills on each dollar of adjusted assessed valuation for

expenses for secondary vocational education. *However, if an intermediate district is implementing an education district plan according to section 17, the proceeds of these additional levies may be used for any expenses of implementation.* Each participating school district shall include such tax levies in the next tax roll which it shall certify to the county auditor or auditors, and shall remit the collections of such levies to the board promptly when received. Such levies shall not be included in computing the limitations upon the levy of any district under sections 124A.03, 124A.06, subdivision 3a, 124A.08, subdivision 3a, 124A.10, subdivision 3a, 124A.12, subdivision 3a, 124A.14, subdivision 5a, and 275.125. The board may, any time after such levies have been certified to the participating school districts, issue and sell certificates of indebtedness in anticipation of the collection of such levies, but in aggregate amounts such as will not exceed the portion of the levies which is then not collected and not delinquent.

Sec. 41. Minnesota Statutes 1984, section 136D.74, subdivision 2, is amended to read:

Subd. 2. [TAX LEVY.] The intermediate school board may in each year for the purpose of paying any administrative, planning, operating, or capital expenses incurred or to be incurred certify to each county auditor of each county in which said intermediate school district shall lie, as a single taxing district, ~~the tax levy specified in section 275.125, subdivision 13, clause (2).~~ Additional tax levies may be certified which shall not in any year exceed .6 mills on each dollar of adjusted assessed valuation for expenses for special education and .5 mills on each dollar of adjusted assessed valuation for expenses for secondary vocational education. *However, if an intermediate district is implementing an education district plan according to section 17, the proceeds of these additional levies may be used for any expenses of implementation.* Said annual tax levies shall be certified pursuant to section 124.02. Upon such certification the county auditor or auditors and other appropriate county officials shall levy and collect such levies and remit the proceeds of collection thereof to the intermediate school district as in the case with independent school districts. Such levies shall not be included in computing the limitations, if any, upon the levy of the intermediate district or any of the participating districts under sections 124A.03, 124A.06, subdivision 3a, 124A.08, subdivision 3a, 124A.10, subdivision 3a, 124A.12, subdivision 3a, 124A.14, subdivision 5a, and 275.125.

Sec. 42. Minnesota Statutes 1984, section 136D.87, is amended to read:

136D.87 [TAX LEVIES, CERTIFICATES OF INDEBTEDNESS.]

Each year the joint school board may each year, for the purpose of paying any administrative, planning, operating, or capital expenses incurred or to be incurred for area vocational technical schools, may certify to each participating school district the tax levy specified in section 275.125, subdivision 13, clause (2). Additional tax levies may be certified which shall not in any year exceed .6 mills on each dollar of adjusted assessed valuation for expenses for special education and .5 mills on each dollar of adjusted assessed valuation for expenses for secondary vocational education. However, if an intermediate district is implementing an education district plan according to section 17, the proceeds of these additional levies may be used for any expenses of implementation. Each participating school district shall

include such tax levies in the next tax roll which it shall certify to the county auditor or auditors, and shall remit the collections of such levies to the board promptly when received. Such levies shall not be included in computing the limitations upon the levy of any district under sections 124A.03, 124A.06, subdivision 3a, 124A.08, subdivision 3a, 124A.10, subdivision 3a, 124A.12, subdivision 3a, 124A.14, subdivision 5a, and 275.125. The board may, any time after such levies have been certified to the participating school districts, issue and sell certificates of indebtedness in anticipation of the collection of such levies, but in aggregate amounts such as will not exceed the portion of the levies which is then not collected and not delinquent.

Sec. 43. Minnesota Statutes 1985 Supplement, section 275.125, subdivision 8a, is amended to read:

Subd. 8a. [INTERDISTRICT COOPERATION LEVY.] Each year, a district which is eligible for aid pursuant to section 124.272, subdivision 2, may levy the amount of the estimated instructional and administrative costs of the interdistrict cooperation plan for the year to which the levy is attributable, but the levy shall not exceed the lesser of: (1) \$50 times the actual pupil units for that school year; (2) \$50,000; or (3) one mill times the adjusted assessed valuation of the district for the preceding year. ~~The proceeds of the levy may only be used to pay for instructional costs and administrative costs, that may not exceed five percent of the instructional costs, incurred in providing the program offerings resulting from the cooperation plan~~ For a district that has entered into an education district, the levy may be increased by the lesser of \$25 times the actual pupil units or \$25,000. The total amount levied under this subdivision may not exceed one mill.

Sec. 44. Minnesota Statutes 1984, section 275.125, is amended by adding a subdivision to read:

Subd. 8d. [ADULT LITERACY LEVY.] A district may levy for its adult literacy program. The amount levied shall not exceed the lesser of:

(1) .2 mill times the adjusted assessed valuation of the district for the year preceding the year the levy is certified; or

(2) the maximum revenue, as set forth in section 22, subdivision 4, for the year for which the levy is attributable.

Sec. 45. Minnesota Statutes 1984, section 298.24, subdivision 3, is amended to read:

Subd. 3. (a) A credit in the amount of not to exceed four cents per gross ton of taxable iron ore concentrate produced shall be allowed against the tax imposed by subdivision 1, with respect to the production of iron ore concentrate from taconite plants which, together with the lands upon which they are located and lands used in connection with the mining, quarrying and concentration of taconite and buildings, machinery, equipment and other fixtures used in the production of taconite, and notwithstanding the provisions of section 298.25, have by law been made subject to direct taxes for the payment of principal and interest on bonds issued by a school district or city.

(b) Notwithstanding clause (a), a credit of not to exceed seven cents shall be allowed a producer for the payment of taxes for bonds, and interest on them, issued by Independent School District 703, for which the producer's

property has been made subject to direct taxes.

(c) *Notwithstanding clause (a), a credit of not to exceed four cents shall be allowed a producer for the payment of taxes for bonds, and interest on them, issued by independent school district No. 701, for which the producer's property has been made subject to direct taxes.*

(d) The credit allowed in this subdivision shall be allowed against taxes payable in the calendar years following the issuance and sale of the bonds until the total credit allowed in all years equals the total liability of the producer for direct taxes for the payment of the bonds and interest. If necessary to equal the total liability of the producer, the credit may be taken in years after the years when the taxes for the bond principal and interest were paid.

The amount of credit allowable hereunder in any year with respect to production from any plant subjected to direct taxes shall not exceed the amount of the direct taxes levied in the prior year against the plant for the bonds and interest and the indebtedness secured thereby, except if the credit allowed does not equal the amount levied in the prior year, then the unused credits of prior years may be used for the deficiency.

Sec. 46. Minnesota Statutes 1984, section 465.72, is amended to read:

465.72 [SEVERANCE PAY.]

Subdivision 1. [GENERALLY.] Except as may otherwise be provided in subdivision 2 and in Laws 1959, Chapter 690, as amended, any county, city, township, school district or other governmental subdivision may pay severance pay to its employees and promulgate rules for the payment of severance pay to an employee who leaves employment on or before or subsequent to the normal retirement date. Severance pay shall also include the payment of accumulated vacation leave, accumulated sick leave or a combination thereof. The severance pay shall be excluded from retirement deductions and from any calculations in retirement benefits. It shall be paid in a manner mutually agreeable to the employee and employer over a period not to exceed five years from retirement or termination of employment. If a retired or terminated employee dies before all or a portion of the severance pay has been disbursed, that balance due shall be paid to a named beneficiary or, lacking same, to the deceased's estate. In no event shall severance pay provided for an employee leaving employment exceed an amount equivalent to one year of pay.

Subd. 2. [EXCEPTION TO LIMITATIONS.] The provisions of subdivision 1 requiring that severance pay be paid over a period not to exceed five years from retirement or termination of employment and that severance pay not exceed an amount equivalent to one year of pay do not apply to severance pay to school district employees in the form of payment of accumulated sick leave that is used to make contributions on behalf of the employee or former employee toward premiums for group insurance policies provided by the school district.

This subdivision applies only to payments made prior to July 1, 1986, and to payments made under contracts executed, ratified, and in effect on July 1, 1986. Any payments of severance pay made by school districts according to this subdivision before July 1, 1986, are validated.

Sec. 47. [SECONDARY VOCATIONAL RULE CHANGE.]

According to its authority in Minnesota Statutes, section 121.11, the state board of education shall amend Minnesota Rules, part 3505.5300, subpart 3, to allow two hours of preparation time to be eligible for secondary vocational aid when the vocational education teaching assignment is five instructional contact hours. Minnesota Statutes, sections 14.26 to 14.28, shall apply to this rule amendment. Other sections of chapter 14 shall not apply. Notwithstanding any law to the contrary, the rule shall be effective for aid paid for the 1985-1986 school year and thereafter.

Sec. 48. Laws 1985, First Special Session chapter 12, article 8, section 63, subdivision 2, is amended to read:

Subd. 2. [TEACHER EXAMINATIONS.] For duties related to teacher examinations there is appropriated:

\$105,000_____1986,

\$ 75,000_____1987.

\$30,000 of the fiscal year 1986 appropriation is to evaluate teaching skills of beginning teachers and \$75,000 each year is for development of teacher examinations. Any unexpended balance of this appropriation for fiscal year 1986 shall not cancel but shall be available for fiscal year 1987.

Sec. 49. Laws 1985, First Special Session chapter 12, article 8, section 62, subdivision 3, is amended to read:

Subd. 3. [ACADEMIC EXCELLENCE FOUNDATION.] For support of the academic excellence foundation according to Minnesota Statutes, section 121.612, there is appropriated:

\$89,000_____1986,

\$84,000_____1987.

\$5,000 of the fiscal year 1986 appropriation shall be used for expenses related to the operation of the task force established in section 60, subdivision 1.

Any unexpended balance from the appropriation for the academic excellence foundation for fiscal year 1986 shall not cancel but shall be available until June 30, 1987."

After section 3 of the Pehler amendment, insert:

"Sec. 51. [AUTHORIZATION OF HIBBING BONDS AND TAX LEVIES.]

Subdivision 1. [AMOUNT; PROCEDURE.] Independent school district No. 701, Hibbing, may issue bonds in an aggregate principal amount not exceeding \$2,000,000, in addition to any bonds already issued or authorized, to finance the acquisition and betterment of school buildings and facilities. Except as permitted by this section, the bonds shall be authorized, sold, and issued in accordance with Minnesota Statutes, chapter 475, except that no election shall be required to authorize their issuance except as provided in subdivision 2, and the bonds shall not constitute net debt within the meaning of Minnesota Statutes, section 475.53.

Subd. 2. [NOTICE; ELECTION.] Prior to the issuance of the bonds, the

school board shall publish in the official newspaper of the district a resolution authorizing their issuance, and if within ten days after such publication there is filed with the school district clerk a petition requesting an election on the proposition of issuing the bonds signed by qualified voters in number equal to ten percent of the number of qualified voters voting at the last general election in the district, the bonds shall not be issued unless and until such proposition has been approved by a majority of the votes cast thereon at a regular or special election.

Subd. 3. [LEVY.] After the sale and before the delivery of any bonds under authority of this section, the school board shall, by resolution, levy upon all taxable property in the school district, a direct, general ad valorem tax for each year of the term of the bonds in amounts which, if collected in full and added to the minimum amounts required to be paid to the district under subdivision 7 are sufficient to pay when due the principal of and interest on the bonds. A copy of the resolution shall be filed and the taxes levied shall be collected as specified in Minnesota Statutes, section 475.61. A resolution of the board levying taxes for the payment of the bonds and interest on them as authorized by this section and pledging the proceeds of the levies for the payment of the bonds and interest on them shall be deemed to be in compliance with the provisions of Minnesota Statutes, chapter 475 with respect to the levying of taxes for their payment.

Subd. 4. [DEFICIENCIES.] Bonds issued under authority of this section shall be general obligations of the school district, for which its full faith and credit and unlimited taxing powers shall be pledged. If there are any deficiencies in the collections of the taxes levied pursuant to subdivision 2 or in the amounts required to be paid to the district under subdivision 7 they shall be made good by general levies, not subject to limit, on all taxable property in the district in accordance with Minnesota Statutes, section 475.74. If any deficiency levies are necessary, the school board may effect a temporary loan or loans on certificates of indebtedness issued in anticipation of them to meet payments of principal or interest on the bonds due or about to become due.

Subd. 5. [EFFECT ON OTHER LEVIES.] Taxes levied pursuant to this section shall be disregarded in the calculation of any other tax levies or limits on tax levies provided by other law.

Subd. 6. [INDEBTEDNESS LIMITATIONS.] Bonds may be issued under authority of this section notwithstanding any limitations upon the indebtedness of a district, and their amounts shall not be included in computing the indebtedness of a district for any purpose, including the issuance of subsequent bonds and the incurring of subsequent indebtedness.

Subd. 7. [PAYMENTS TO DISTRICT; APPROPRIATIONS.] Commencing with taxes payable in 1987, the commissioner of revenue shall deduct and pay to independent school district No. 701 on or before October 1 of each year, an amount equal to four cents per gross ton of taxable iron concentrate produced or to 90 percent of the debt service coming due on or before the second following January 1 on all bonds issued by the district pursuant to subdivision 1, whichever is greater, from the taxes paid pursuant to sections 298.23 to 298.28 by a person, corporation, partnership, operator, joint venture, or other owner of a taconite plant and taconite properties

located in the school district. The deduction shall be made from the amount which would otherwise have been distributed to northeast Minnesota economic protection fund in the apportionment fund in the state treasury under section 298.28, subdivision 1. A sum is annually appropriated to the commissioner from the proceeds of the taxes sufficient to make the payments required by this section.

Subd. 8. [PAYMENTS WHEN PRODUCTION DECREASES OR STOPS.] *If the producer described in subdivision 7 ceases operations or decreases its operations so that the amount of the deduction of four cents per gross ton of concentrate produced is insufficient to raise the minimum amount required to be paid annually under subdivision 7, then the difference between the deduction of four cents per gross ton of concentrate produced and such minimum amount shall be paid as provided in section 298.225.*

Subd. 9. [DEPOSIT AND USE OF FUNDS.] *The revenue received pursuant to this section by independent school district No. 701 shall be deposited in the bond redemption fund of the district and shall be used only to pay debt service on bonds issued pursuant to subdivision 1.*

Subd. 10. [TERMINATION.] *The deduction and payment of taxes authorized in subdivisions 7 and 8 shall terminate upon the payment in full, or the discharge of the district's obligation to pay in full, the principal of and interest on all bonds issued pursuant to subdivision 1.*

Subd. 11. [COMPLIANCE.] *This section is effective the day after the school board of independent school district No. 701 complies with Minnesota Statutes, section 645.021, subdivision 3.*

Sec. 52. [AUTHORIZATION OF VIRGINIA BONDS AND TAX LEVIES.]

Subdivision 1. [AMOUNT; PROCEDURE.] *Independent school district No. 706, Virginia, may issue bonds in an aggregate principal amount not exceeding \$2,000,000, in addition to any bonds already issued or authorized, to finance the acquisition and betterment of school buildings and facilities. Except as permitted by this section, the bonds shall be authorized, sold, and issued in accordance with Minnesota Statutes, chapter 475, except that no election shall be required to authorize their issuance except as provided in subdivision 2; and the bonds shall not constitute net debt within the meaning of Minnesota Statutes, section 475.53.*

Subd. 2. [NOTICE; ELECTION.] *Prior to the issuance of the bonds, the school board shall publish in the official newspaper of the district a resolution authorizing their issuance, and if within ten days after such publication there is filed with the school district clerk a petition requesting an election on the proposition of issuing the bonds signed by qualified voters in number equal to ten percent of the number of qualified voters voting at the last general election in the district, the bonds shall not be issued unless and until such proposition has been approved by a majority of the votes cast thereon at a regular or special election.*

Subd. 3. [LEVY.] *After the sale and before the delivery of any bonds under authority of this section, the school board shall, by resolution, levy upon all taxable property in the school district; a direct, general ad valorem tax for each year of the term of the bonds in amounts which, if collected in full*

and added to the minimum amounts required to be paid to the district under subdivision 7 are sufficient to pay when due the principal of and interest on the bonds. A copy of the resolution shall be filed and the taxes levied shall be collected as specified in Minnesota Statutes, section 475.61. A resolution of the board levying taxes for the payment of the bonds and interest on them as authorized by this section and pledging the proceeds of the levies for the payment of the bonds and interest on them shall be deemed to be in compliance with the provisions of Minnesota Statutes, chapter 475 with respect to the levying of taxes for their payment.

Subd. 4. [DEFICIENCIES.] Bonds issued under authority of this section shall be general obligations of the school district, for which its full faith and credit and unlimited taxing powers shall be pledged. If there are any deficiencies in the collections of the taxes levied pursuant to subdivision 2 or in the amounts required to be paid to the district under subdivision 7 they shall be made good by general levies, not subject to limit, on all taxable property in the district in accordance with Minnesota Statutes, section 475.74. If any deficiency levies are necessary, the school board may effect a temporary loan or loans on certificates of indebtedness issued in anticipation of them to meet payments of principal or interest on the bonds due or about to become due.

Subd. 5. [EFFECT ON OTHER LEVIES.] Taxes levied pursuant to this section shall be disregarded in the calculation of any other tax levies or limits on tax levies provided by other law.

Subd. 6. [INDEBTEDNESS LIMITATIONS.] Bonds may be issued under authority of this section notwithstanding any limitations upon the indebtedness of a district, and their amounts shall not be included in computing the indebtedness of a district for any purpose, including the issuance of subsequent bonds and the incurring of subsequent indebtedness.

Subd. 7. [PAYMENTS TO DISTRICT; APPROPRIATIONS.] Commencing with taxes payable in 1987, the commissioner of revenue shall deduct and pay to independent school district No. 706 on or before October 1 of each year, an amount equal to four cents per gross ton of taxable iron concentrate produced or to 90 percent of the debt service coming due on or before the second following January 1 on all bonds issued by the district pursuant to subdivision 1, whichever is greater, from the taxes paid pursuant to sections 298.23 to 298.28 by a person, corporation, partnership, operator, joint venture, or other owner of a taconite plant and taconite properties located in the school district. The deduction shall be made from the amount which would otherwise have been distributed to northeast Minnesota economic protection fund in the apportionment fund in the state treasury under section 298.28, subdivision 1. A sum is annually appropriated to the commissioner from the proceeds of the taxes sufficient to make the payments required by this section.

Subd. 8. [PAYMENTS WHEN PRODUCTION DECREASES OR STOPS.] If the producer described in subdivision 7 ceases operations or decreases its operations so that the amount of the deduction of four cents per gross ton of concentrate produced is insufficient to raise the minimum amount required to be paid annually under subdivision 7, then the difference between the deduction of four cents per gross ton of concentrate produced

and such minimum amount shall be paid as provided in section 298.225.

Subd. 9. [DEPOSIT AND USE OF FUNDS.] The revenue received pursuant to this section by independent school district No. 706 shall be deposited in the bond redemption fund of the district and shall be used only to pay debt service on bonds issued pursuant to subdivision 1.

Subd. 10. [TERMINATION.] The deduction and payment of taxes authorized in subdivisions 7 and 8 shall terminate upon the payment in full, or the discharge of the district's obligation to pay in full, the principal of and interest on all bonds issued pursuant to subdivision 1.

Subd. 11. [COMPLIANCE.] This section is effective the day after the school board of independent school district No. 706 complies with Minnesota Statutes, section 645.021, subdivision 3.

Sec. 53. [AUTHORIZATION OF EVELETH BONDS AND TAX LEVIES.]

Subdivision 1. [AMOUNT; PROCEDURE.] Independent school district No. 697, Eveleth, may issue bonds in an aggregate principal amount not exceeding \$1,500,000, in addition to any bonds already issued or authorized, to finance the acquisition and betterment of school buildings and facilities. Except as permitted by this section, the bonds shall be authorized, sold, and issued in accordance with Minnesota Statutes, chapter 475, except that no election shall be required to authorize their issuance except as provided in subdivision 2, and the bonds shall not constitute net debt within the meaning of Minnesota Statutes, section 475.53.

Subd. 2. [NOTICE; ELECTION.] Prior to the issuance of the bonds, the school board shall publish in the official newspaper of the district a resolution authorizing their issuance, and if within ten days after such publication there is filed with the school district clerk a petition requesting an election on the proposition of issuing the bonds signed by qualified voters in number equal to ten percent of the number of qualified voters voting at the last general election in the district, the bonds shall not be issued unless and until such proposition has been approved by a majority of the votes cast thereon at a regular or special election.

Subd. 3. [LEVY.] After the sale and before the delivery of any bonds under authority of this section, the school board shall, by resolution, levy upon all taxable property in the school district, a direct, general ad valorem tax for each year of the term of the bonds in amounts which, if collected in full and added to the minimum amounts required to be paid to the district under subdivision 7 are sufficient to pay when due the principal of and interest on the bonds. A copy of the resolution shall be filed and the taxes levied shall be collected as specified in Minnesota Statutes, section 475.61. A resolution of the board levying taxes for the payment of the bonds and interest on them as authorized by this section and pledging the proceeds of the levies for the payment of the bonds and interest on them shall be deemed to be in compliance with the provisions of Minnesota Statutes, chapter 475 with respect to the levying of taxes for their payment.

Subd. 4. [DEFICIENCIES.] Bonds issued under authority of this section shall be general obligations of the school district, for which its full faith and credit and unlimited taxing powers shall be pledged. If there are any defi-

ciencies in the collections of the taxes levied pursuant to subdivision 2 or in the amounts required to be paid to the district under subdivision 7 they shall be made good by general levies, not subject to limit, on all taxable property in the district in accordance with Minnesota Statutes, section 475.74. If any deficiency levies are necessary, the school board may effect a temporary loan or loans on certificates of indebtedness issued in anticipation of them to meet payments of principal or interest on the bonds due or about to become due.

Subd. 5. [EFFECT ON OTHER LEVIES.] Taxes levied pursuant to this section shall be disregarded in the calculation of any other tax levies or limits on tax levies provided by other law.

Subd. 6. [INDEBTEDNESS LIMITATIONS.] Bonds may be issued under authority of this section notwithstanding any limitations upon the indebtedness of a district, and their amounts shall not be included in computing the indebtedness of a district for any purpose, including the issuance of subsequent bonds and the incurring of subsequent indebtedness.

Subd. 7. [PAYMENTS TO DISTRICT; APPROPRIATIONS.] Commencing with taxes payable in 1986, the commissioner of revenue shall deduct and pay to independent school district No. 697 on or before October 1 of each year, an amount equal to five cents per gross ton of taxable iron concentrate produced or to 75 percent of the debt service coming due on or before the second following January 1 on all bonds issued by the district pursuant to subdivision 1, whichever is greater, from the taxes paid pursuant to sections 298.23 to 298.28 by a person, corporation, partnership, operator, joint venture, or other owner of a taconite plant and taconite properties located in the school district. The deduction shall be made from the amount which would otherwise have been distributed to northeast Minnesota economic protection fund in the apportionment fund in the state treasury under section 298.28, subdivision 1. A sum is annually appropriated to the commissioner from the proceeds of the taxes sufficient to make the payments required by this section.

Subd. 8. [PAYMENTS WHEN PRODUCTION DECREASES OR STOPS.] If the producer described in subdivision 7 ceases operations or decreases its operations so that the amount of the deduction of five cents per gross ton of concentrate produced is insufficient to raise the minimum amount required to be paid annually under subdivision 7, then the difference between the deduction of five cents per gross ton of concentrate produced and such minimum amount shall be paid as provided in section 298.225.

Subd. 9. [DEPOSIT AND USE OF FUNDS.] The revenue received pursuant to this section by independent school district No. 697 shall be deposited in the debt redemption fund of the district and shall be used only to pay debt service on bonds issued pursuant to subdivision 1.

Subd. 10. [TERMINATION.] The deduction and payment of taxes authorized in subdivisions 7 and 8 shall terminate upon the payment in full, or the discharge of the district's obligation to pay in full, the principal of and interest on all bonds issued pursuant to subdivision 1.

Subd. 11. [COMPLIANCE.] This section is effective the day after the school board of independent school district No. 697 complies with Minnesota

Statutes, section 645.021, subdivision 3.

Sec. 54. [EXCESS CAPITAL EXPENDITURE LEVY.]

Subdivision 1. [1986.] Independent school district No. 97, Moose Lake, may levy up to \$75,000 in 1986 for capital expenditure purposes in addition to all other levies for capital expenditure and other purposes.

Subd. 2. [1987.] Independent school district No. 97, Moose Lake, may levy up to \$70,000 in 1987 for capital expenditure purposes in addition to all other levies for capital expenditure and other purposes.

Subd. 3. [REFERENDUM.] The authorization for the levy in subdivision 1 or 2 may be revoked or reduced as provided in this subdivision. A referendum on the question of revoking or reducing the authorized amount shall be called on the written petition of a number of qualified voters in excess of 15 percent of the average number of voters of the two most recent district-wide school elections. A petition to revoke or reduce the levy authorized by subdivision 1 must be received by September 1, 1986, and the referendum must be held by October 10, 1986. A petition to revoke or reduce the levy authorized by subdivision 2 must be received by September 1, 1987, and the referendum must be held by October 10, 1987. The ballot must state the number of mills required to raise the authorized amount. The ballot question must read substantially as follows:

"Shall the authority to make an extra levy for capital expenditures in (year) granted to independent school district No. 97 in (this act) be (revoked/reduced from \$_____ to \$_____)?"

In other respects, the referendum shall be conducted as other elections are conducted under sections 134A.03 and 123.32.

Sec. 55. [CAPITAL EXPENDITURE LEVY; INDEPENDENT SCHOOL DISTRICT NO. 832, MAHTOMEDI.]

Independent school district No. 832, Mahtomedi, may levy in 1986 an amount up to \$250,000 for capital expenditure purposes. The proceeds of the levy may be used only to renovate Wildwood school.

By July 30, 1986, the school board shall hold a public hearing on the need for the proposed levy. Upon receipt, within 30 days after the hearing, of a petition objecting to the levy signed by a number of qualified voters in the district equal to the greater of 50 voters or 15 percent of the number of voters who voted in the most recent school board election, the board shall hold a referendum on the proposed levy. The referendum shall be held on the date set by the board but no later than October 1, 1986. If a valid petition is not received by the school board, within 30 days after the hearing, no referendum need be held.

Sec. 56. [PLAN FOR AUTOMATION OF STATE LIBRARIES.]

The commissioner of education shall develop a plan to address automation needs of state agency libraries. The plan shall include methods to:

(1) strengthen government information services available to agencies and the public;

(2) improve coordination and cooperation among state agency libraries;

and

(3) eliminate unnecessary duplication.

Other state agencies and the legislative reference library shall cooperate with the commissioner in developing this plan. The state law library may cooperate in developing this plan. By August 15, 1986, the plan shall be reported to the governor, education committees of the legislature, and senate finance and house appropriations committees.

Sec. 57. [STATE UNIVERSITY BOARD'S AUTHORITY TO CONSTRUCT DONATED BUILDING ON STATE LAND; CONVEYANCE OF BUILDING TO STATE.]

Notwithstanding chapters 16B and 136, the state university board may authorize the construction of a building on the campus of a state university using funds donated by private sources and friends of the university. No state money may be used in the design or construction of this building. The building shall be designed to be architecturally consistent with other campus facilities. The funding plan and the building site and design shall be subject to approval of the state university board. Title to the building shall pass to the state immediately upon occupancy of the building by the state university.

Sec. 58. [SCHOOL HEALTH SERVICES STUDY.]

By February 1, 1987, the commissioner of education shall make recommendations about school health services to the education committees of the legislature, senate finance committee, and house appropriations committee. The study shall focus on minimizing the interference to learning of acute and chronic health problems and on developing healthy lifestyles for learners of all ages. The study must include:

(1) a description of the range of health services provided to and by school districts, state activities relating to school health programs, including current school health requirements;

(2) evaluation of the existing programs, including licensed school nurse staffing patterns and the relationship of staffing and services provided for the health needs of the school population;

(3) evaluation of medication administration policies, procedures, and related liability issues;

(4) alternative model programs;

(5) existing and potential alternative funding sources; and

(6) recommendations for improving existing programs or establishing new programs.

The commissioner of education shall collaborate with the commissioner of health and the commissioner of human services for aspects of the study.

Sec. 59. [REPORT TO LEGISLATURE.]

The policy required under section 39 must be developed and reported by each system to the education committees of the legislature by February 1, 1987.

Sec. 60. [REPEALER.]

Section 47 is repealed.

Sec. 61. [EFFECTIVE DATE.]

Sections 28, 46, and 47 are effective the day following final enactment. Section 60 is effective June 30, 1987. Sections 8, 22, 40, 41, and 42 are effective July 1, 1987. Sections 3, 4, and 5 are effective for the 1988-1989 school year and thereafter."

Renumber the sections of the Pehler amendment in sequence.

Correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment to the amendment was adopted.

Ms. Olson moved to amend the Pehler amendment to H.F. No. 1744, adopted by the Senate March 15, 1986, as follows:

Delete the Pehler amendment and delete Section 1 of H.F. No. 1744, as amended, and insert:

"Section 1. [FINDINGS AND INTENT.]

The legislature finds that it is the right and responsibility of parents to provide a basic education for their children. The need for the basic education is to prepare children to participate effectively and intelligently as citizens and to be self-reliant and self-sufficient members of society.

By this act, the legislature intends to allow parents to exercise this right and responsibility from among a broad range of educational alternatives. At the same time, the legislature intends not to infringe on the primary rights of parents to raise and to teach their children or on the religious beliefs and practices of parents and their children, and of religious organizations.

Sec. 2. Minnesota Statutes 1985 Supplement, section 120.10, is amended to read:

120.10. [COMPULSORY ATTENDANCE.]

Subdivision 1. [AGES AND TERM.] Every child between seven and 16 years of age and every child under the age of seven who is enrolled in grade kindergarten or above shall attend a public school, or a private school, during the entire time that the school is in session during any school year. No child shall be required to attend a public school more than 200 days or their equivalent, during any school year. A parent may withdraw a child under the age of seven from school at any time.

Subd. 2. [SCHOOL.] A school, to satisfy the requirements of compulsory attendance, must be one: (1) in which all the common branches are taught in the English language, from textbooks written in the English language, and taught by teachers whose qualifications are essentially equivalent to the minimum standards for public school teachers of the same grades or subjects and (2) which is in session each school year for at least 175 days or their equivalent; provided that in, and (3) which meets at least one option of its choosing from among the options in paragraphs (a) to (e) in subdivision 2b.

Subd. 2a. [LIMITED PROFICIENCY EXCEPTION.] Notwithstanding subdivision 2, clause (1) a program of instruction for children of limited

English proficiency, instruction and textbooks may be in the primary language of the children of limited English proficiency enrolled therein. Any other language may be taught as provided in section 126.07. As used in this subdivision, the terms "children of limited English proficiency" and "primary language" shall have the meanings ascribed to them in section 126.262.

Subd. 2b. [OPTIONS.] The options from among which a school must choose to comply with subdivision 2, clause (3) are listed in paragraphs (a) to (e).

(a) The school's pupils are taught by teachers who are licensed by the board of teaching or who are effective teachers.

(b) The parents have contracted for and are using a correspondence program that uses a full scope and sequence curriculum that monitors student progress regularly or the parents are using a licensed teacher to supervise the school's program. Either program must verify that the students are making satisfactory progress commensurate with ability.

(c) The school is accredited by a state, regional, or national accrediting organization that requires periodic self study and uses team visitation.

(d) The school is operated by, affiliated with, or under the control of, a church, religious organization, or convention or association of churches, any of which are exempt from federal income taxation under section 501(c)(3) of the Internal Revenue Code of 1954, as amended through December 31, 1985.

(e) The school's students, on the average, perform satisfactorily on a nationally recognized standardized achievement test.

If a nonpublic school chooses to comply with subdivision 2 by selecting the option in paragraph (d) under this subdivision, the local school district superintendent may require the nonpublic school to comply also with one of the other options.

Subd. 2c. [DEFINITIONS.] The definitions in paragraphs (a) to (c) apply to this section.

(a) An effective teacher under subdivision 2b is a teacher whose students make satisfactory progress commensurate with their ability.

(b) Satisfactory progress commensurate with ability means that the student:

(1) has test scores not more than one standard deviation below the national mean;

(2) is advancing in the content of the school's curriculum on schedule towards a high school diploma or its equivalent; or

(3) is achieving goals on par with similarly situated students considering the student's past educational achievement, mental capacity, and behavioral traits.

(c) Portfolio means copies of completed tests or workbooks or other materials revealing the student's work and progress.

Subd. 2d. [MEASUREMENT.] Satisfactory progress commensurate with

ability for determining teacher effectiveness in subdivision 2c, paragraph (a), may be measured by:

- (1) testing under the procedures in subdivision 2e;
- (2) inspection of student portfolios by the superintendent or designee;
- (3) a review of the school's program by a person mutually agreed upon by the school and the superintendent.

Subd. 2e. [TESTING.] When testing is chosen and used by the school to verify compliance with subdivision 2:

- (1) tests must not be required more frequently than annually and only after a child reaches 8 years of age;
- (2) the test must be chosen and administered by the school in question;
- (3) the test must be a basic skills test listed in *Buros Mental Measurements Yearbook* or a test recognized as its equivalent by national testing authorities;
- (4) the superintendent shall provide any tests required and may have an observer present during testing; and
- (5) the school shall certify to the superintendent its choice of the testing option at the beginning of the school year and shall have until the end of the school year to submit, if requested, its test results for confirmation of compliance.

If the composite score for the school is more than one standard deviation below the national mean the superintendent may take any of the following actions to satisfy the requirements of subdivision 2 and to insure that the children's education meets the object and intent of section 1:

- (a) allow the school to attempt to qualify under another option in subdivision 2;
- (b) allow the school to continue the educational plan undisturbed;
- (c) require additional testing, including but not limited to intelligence tests to determine if students are making satisfactory progress commensurate with ability;
- (d) adopt a plan for remedial help for the children; or
- (e) adopt any other course of action that is acceptable to the superintendent or board and those in charge of the school.

Subd. 2f. [COMPLIANCE.] When assessing if a school is in compliance with subdivision 2 or when determining actions to take under subdivision 2e, the superintendent shall choose the course of action that is most consistent with the desires of the school, unless and except to the extent that the desires are manifestly inconsistent with the educational needs of the children. If implementation of the alternatives fails to bring the school into compliance with subdivision 2, the superintendent may require the children to attend a school that complies with subdivision 2. A school in question may appeal any superintendent's decision to the school board and may appeal any decision of the superintendent or board to the district court. In any court or administrative proceeding, the superintendent or board has the burden of proof.

Their determinations are admissible but are not presumed valid.

Subd. 2g. [RESTRICTION ON SUPERINTENDENT.] The superintendent must not consider a teacher ineffective under subdivision 2b, clause (a) because the teacher's educational philosophy or methodology differs from that of the superintendent or board.

Subd. 2h. [RELIGIOUS FREEDOM.] Sections 1 and 2 do not require the school to include in its curriculum any concept, topic, or practice in conflict with the school's religious doctrines or to exclude from its curriculum any concept, topic, or practice consistent with the school's religious doctrines.

Subd. 3. [LEGITIMATE EXEMPTIONS.] A parent, guardian, or other person having control of a child may apply to a school district to have the child excused from attendance for the whole or any part of the time school is in session during any school year. Application may be made to any member of the board, a truant officer, a principal, or the superintendent. The school board of the district in which the child resides may approve the application upon the following being demonstrated to the satisfaction of that board:

(1) That the child's bodily or mental condition is such as to prevent his attendance at school or application to study for the period required; or

(2) That the child has already completed the studies ordinarily required in the tenth grade; or

(3) That it is the wish of the parent, guardian, or other person having control of the child, that he attend for a period or periods not exceeding in the aggregate three hours in any week, a school for religious instruction conducted and maintained by some church, or association of churches, or any Sunday school association incorporated under the laws of this state, or any auxiliary thereof. This school for religious instruction shall be conducted and maintained in a place other than a public school building, and in no event, in whole or in part, shall be conducted and maintained at public expense. However, a child may be absent from school on such days as the child attends upon instruction according to the ordinances of some church.

Subd. 4. [ISSUING AND REPORTING EXCUSES.] The clerk or any authorized officer of the school board shall issue and keep a record of such excuses, under such rules as the board may from time to time establish.

Sec. 3. Minnesota Statutes 1984, section 120.12, subdivision 2, is amended to read:

Subd. 2. [PRIVATE SCHOOLS.] ~~It shall be the duty of the principal, teacher, or other person in charge of any~~ *The private school to make reports at such times and containing such information as is herein required respecting public schools. Such report shall be made to, or when a child is being educated at home, the parent, must provide the district superintendent in whose district such private school is located with the following information: the name and address of the school, the name of the person in charge of the school, and the number of children and instructors in the school.*

Sec. 4. [RULES PROHIBITED.]

The state board of education must not adopt rules for nonpublic schools regarding compliance with compulsory attendance requirements in section

2. subdivisions 2b to 2h.

Sec. 5. [DEFINITION OF SCHOOL TASK FORCE.]

By June 1, 1986, the commissioner of education shall appoint a task force of 12 members to make recommendations about compulsory attendance laws. The task force shall consist of one member representing the state board of education, one licensed teacher representing the board of teaching, one representing the local school boards, one representing the public school superintendents, a parent of a public school student, one representing the nonpublic nonsectarian schools, two representing the nonpublic sectarian schools, two involved in educating children at home, parent of a nonpublic school student, and the commissioner of education.

The task force shall study and make recommendations about various issues related to the compulsory attendance law. Some of the issues to be considered are: student performance standards, data on student achievement in the various types of schools, the definition of a school, qualifications of teachers in schools, requirements for schools, reporting requirements, methods of enforcement, and penalties for noncompliance. The department of education shall provide staff assistance to the task force.

The state board may review and comment upon the recommendations of the task force.

The task force shall present the recommendations to the education committees of the legislature by February 1, 1987.

Sec. 6. [EFFECTIVE DATE.]

Section 5 is effective the day following final enactment."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

CALL OF THE SENATE

Ms. Olson imposed a call of the Senate for the balance of the proceedings on H.F. No. 1744. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the Olson amendment to the Pehler amendment.

Mr. Hughes moved that those not voting be excused from voting. The motion did not prevail.

The roll was called, and there were yeas 29 and nays 34, as follows:

Those who voted in the affirmative were:

Anderson	Frederick	Kamrath	McQuaid	Schmitz
Belanger	Frederickson	Knaak	Mehrkens	Sieloff
Benson	Gustafson	Knutson	Olson	Storm
Berglin	Isackson	Kronebusch	Peterson, D.L.	Taylor
Bernhagen	Johnson, D.E.	Laidig	Ramstad	Waldorf
Chmielewski	Jude	Lessard	Renneke	

Those who voted in the negative were:

Adkins	Diessner	Lantry	Pehler	Reichgott
Berg	Dieterich	Luther	Peterson, C.C.	Samuelson
Bertram	Frank	Merriam	Peterson, D.C.	Solon
Dahl	Freeman	Moe, D.M.	Peterson, R.W.	Spear
Davis	Hughes	Moe, R.D.	Petty	Stumpf
DeCramer	Johnson, D.J.	Nelson	Pogemiller	Vega
Dicklich	Langseth	Novak	Purfeerst	

The motion did not prevail. So the amendment to the amendment was not adopted.

Mr. Bernhagen moved to amend the Pehler amendment to H.F. No. 1744 as follows:

Page 3 of the Pehler amendment, after line 6, insert:

“Sec. 4. [LITTLE CROW REGIONAL TELE-NETWORK.]

Subdivision 1. [PURPOSES.] The purposes of the two-way interactive fiberoptics telecommunications system to be funded by the grants in this section are:

(1) to offer an expanded curriculum to member schools, including courses for the academically talented;

(2) to allow the districts to be in compliance with proposed department of education curriculum requirements;

(3) to allow these districts to retain their independence and continue to enjoy the benefits that a school adds to the community;

(4) to provide a convenient method of sharing teachers and other resources across school district boundary lines without the waste of time and expense of teacher or pupil travel;

(5) to provide a vehicle for adult education through linkage with the Hutchinson AVTI and area businesses;

(6) to provide a vehicle for staff development opportunities for teachers, other professionals, business leaders, including farmers, and public officials; and

(7) to serve as a model for other school district cooperatives who may be interested in the construction and implementation of a similar system.

Subd. 2. [PLANNING SPECIALIST/TECHNOLOGY GRANT.] \$40,000 is appropriated in fiscal year 1987 from the general fund to the department of education to make a grant to the fiscal agent of the Little Crow Regional Tele-Network for a planning specialist/technology to research and plan a two-way interactive fiberoptics telecommunications system between the project's six members: the independent school districts of Brownton, No. 421; Glencoe, No. 422; Hutchinson, No. 423; Hutchinson AVTI; Silver Lake, No. 425; and Stewart, No. 426.”

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion did not prevail. So the amendment to the amendment was not adopted.

H.F. No. 1744 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 53 and nays 1, as follows:

Those who voted in the affirmative were:

Anderson	Dieterich	Knutson	Novak	Renneke
Belanger	Frank	Kronebusch	Olson	Samuelson
Benson	Frederick	Laidig	Pehler	Schmitz
Berglin	Frederickson	Langseth	Peterson, D.C.	Sieloff
Bernhagen	Freeman	Lantry	Peterson, D.L.	Solon
Bertram	Gustafson	Luther	Peterson, R.W.	Spear
Dahl	Hughes	McQuaid	Petty	Stumpf
Davis	Isackson	Mehrken	Pogemiller	Vega
DeCramer	Johnson, D.E.	Merriam	Purfeerst	Waldorf
Dicklich	Jude	Moe, R.D.	Ramstad	
Diessner	Knaak	Nelson	Reichgott	

Mr. Kamrath voted in the negative.

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

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Dieterich moved that the following members be excused for a Conference Committee on H.F. No. 2331 at 2:30 p.m.:

Messrs. Dieterich, Novak and Peterson, D.L. The motion prevailed.

SPECIAL ORDER

H.F. No. 2407: A bill for an act relating to state lands; directing transfer of the Croft Mine Park, and all artifacts, machinery, and other personal property used in its operation, to any one or a combination of the city of Ironton, the city of Crosby, and the Croft historical park board.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 50 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Frederick	Knaak	Nelson	Renneke
Belanger	Frederickson	Knutson	Peterson, C.C.	Samuelson
Benson	Freeman	Kronebusch	Peterson, D.C.	Schmitz
Bernhagen	Gustafson	Laidig	Peterson, D.L.	Solon
Bertram	Hughes	Langseth	Peterson, R.W.	Spear
Dahl	Isackson	Lantry	Petty	Stumpf
Davis	Johnson, D.E.	Lessard	Pogemiller	Taylor
DeCramer	Johnson, D.J.	McQuaid	Purfeerst	Vega
Dicklich	Jude	Merriam	Ramstad	Waldorf
Frank	Kamrath	Moe, R.D.	Reichgott	Wegscheid

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 2287: A bill for an act relating to the financing of state and local

government; modifying the computation of education aids and levies for certain school districts with tax increment financing districts; imposing limitations on tax increment financing; modifying tax increment financing procedures; allocating issuance authority for obligations subject to a federal volume limitation act; eliminating the maximum interest rate for certain municipal obligations; authorizing the issuance of bonds for new purposes; authorizing establishment of a capital improvement reserve fund; modifying the procedures for issuing certain municipal bonds; modifying the investment powers of municipalities; amending Minnesota Statutes 1984, sections 115.07, subdivision 1; 115A.14, subdivision 4; 116.07, by adding a subdivision; 116D.04, subdivision 1a; 117.521, subdivision 3; 124.2131, by adding a subdivision; 124.214, by adding a subdivision; 272.01, subdivision 2; 273.72; 273.73, subdivisions 2, 8, and 10; 273.74, subdivisions 1 and 4; 273.75, subdivisions 2, 6, and 7, and by adding subdivisions; 273.76, subdivisions 4 and 7, and by adding a subdivision; 273.78; 273.86, subdivision 1; 355.11, subdivision 5; 412.301; 462C.02, subdivisions 6 and 9; 464C.06; 462C.07, subdivision 1; 466.06; 471.59, subdivision 11; 471.88, subdivisions 1, 9, and 11; 471.981, by adding subdivisions; 474.02, subdivision 3, and by adding a subdivision; 474.16, subdivision 2; 475.51, subdivision 5; 475.55, subdivisions 1, 2, and 3; 475.61, subdivision 5; and 475.66, subdivision 2; Minnesota Statutes 1985 Supplement, sections 273.74, subdivisions 2 and 3; 273.75, subdivisions 1 and 4; 273.76, subdivision 1; 353.01, subdivision 2a; 395.08; 462C.12, subdivision 2; 472B.04; 473F.02, subdivision 3; 475.52, subdivision 6; 475.56; 475.58, subdivision 1; 475.60, subdivision 2; 475.66, subdivision 1; and 475.76, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 115; 116; 297A; 458; 471; and 475; proposing coding for new law as Minnesota Statutes, chapters 116N; 458C; 471A; and 474A; repealing Minnesota Statutes, sections 462C.09, subdivisions 1 and 4; 474.16, subdivisions 1, 2, and 5; 474.21; 474.25; and 475.55, subdivisions 4 and 5; and Minnesota Statutes 1985 Supplement, sections 462C.09, subdivisions 2a, 3, 5, and 6; 474.16, subdivisions 3, 6, 7, 8, 9, 10, 11, 12, 13, 14, and 15; 474.17; 474.19; 474.20; 474.23; and 474.26.

SUSPENSION OF RULES

Mr. Pogemiller moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to H.F. No. 2287 and that the rules of the Senate be so far suspended as to give H.F. No. 2287, now on Special Orders, its third reading and place it on its final passage. The motion prevailed.

CALL OF THE SENATE

Mr. Pogemiller imposed a call of the Senate for the balance of the proceedings on H.F. No. 2287. The Sergeant at Arms was instructed to bring in the absent members.

Mr. Pogemiller moved to amend H.F. No. 2287, as amended pursuant to Rule 49, adopted by the Senate March 15, 1986, as follows:

(The text of the amended House File is identical to S.F. No. 1847.)

Page 9, line 11, after "project" insert "*which exceeds the limitations imposed under section 103(b)(15) of the Internal Revenue Code of 1954, as amended through December 31, 1985, except for projects financed by obligations described in section 103(b)(4) of the Internal Revenue Code of 1954, as amended through December 31, 1985*"

Page 20, line 5, delete everything after the period

Page 20, delete line 6

Page 33, line 23, delete everything after the period

Page 33, delete lines 24 and 25

Page 38, line 34, delete everything after "project"

Page 38, line 35, delete everything before "including"

Mr. Benson requested division of the amendment as follows:

First portion:

Page 9, line 11, after "project" insert *"which exceeds the limitations imposed under section 103(b)(15) of the Internal Revenue Code of 1954, as amended through December 31, 1985, except for projects financed by obligations described in section 103(b)(4) of the Internal Revenue Code of 1954, as amended through December 31, 1985"*

Second portion:

Page 20, line 5, delete everything after the period

Page 20, delete line 6

Page 33, line 23, delete everything after the period

Page 33, delete lines 24 and 25

Page 38, line 34, delete everything after "project"

Page 38, line 35, delete everything before "including"

The question was taken on the adoption of the first portion of the Pogemiller amendment.

The roll was called, and there were yeas 31 and nays 12, as follows:

Those who voted in the affirmative were:

Adkins	Frederickson	Kronebusch	Peterson, D.C.	Solon
Anderson	Freeman	Laidig	Pogemiller	Storm
Bertram	Gustafson	Lantry	Purfeerst	Stumpf
Dahl	Hughes	Lessard	Ramstad	
Davis	Johnson, D.E.	McQuaid	Reichgott	
Diessner	Johnson, D.J.	Mehrkens	Renneke	
Frank	Knaak	Moe, R.D.	Schmitz	

Those who voted in the negative were:

Benson	Isackson	Knutson	Peterson, R.W.	Vega
Bernhagen	Jude	Merriam	Taylor	Waldorf
Frederick	Kamrath			

The motion prevailed. So the first portion of the Pogemiller amendment was adopted.

The question was taken on the adoption of the second portion of the Pogemiller amendment.

The roll was called, and there were yeas 34 and nays 18, as follows:

Those who voted in the affirmative were:

Adkins	Frank	Knaak	Moe, R.D.	Reichgott
Berghin	Frederickson	Laidig	Olson	Renneke
Dahl	Freeman	Langseth	Pehler	Schmitz
Davis	Gustafson	Lantry	Peterson, C.C.	Solon
DeCramer	Hughes	Lessard	Peterson, D.C.	Stumpf
Dicklich	Johnson, D.E.	McQuaid	Pogemiller	Wegscheid
Diessner	Johnson, D.J.	Mehrkens	Ramstad	

Those who voted in the negative were:

Anderson	Bertram	Kamrath	Peterson, R.W.	Vega
Belanger	Frederick	Knutson	Sieloff	Waldorf
Benson	Isackson	Kronebusch	Storm	
Bernhagen	Jude	Merriam	Taylor	

The motion prevailed. So the second portion of the Pogemiller amendment was adopted.

Mr. Benson moved to amend H.F. No. 2287, as amended pursuant to Rule 49, adopted by the Senate March 15, 1986, as follows:

(The text of the amended House File is identical to S.F. No. 1847.)

Page 8, line 28, delete "or" and insert a comma

Page 8, line 29, after "project" insert "or a commercial retail project"

Page 9, after line 11, insert:

"Subd. 5a. [COMMERCIAL RETAIL PROJECT.] "Commercial retail project" is a project with respect to which at least 75 percent of the proceeds of the obligations will be used to finance facilities principally used for selling goods at retail, including shopping malls, restaurants, and on-sale liquor establishments, and other places of refreshment, automobile service stations, grocery stores, banks, hotels, and motels."

Page 26, line 2, after the comma, insert "other than commercial retail projects,"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 25 and nays 32, as follows:

Those who voted in the affirmative were:

Anderson	Bertram	Jude	McQuaid	Sieloff
Belanger	Dieterich	Kamrath	Mehrkens	Storm
Benson	Frederick	Knutson	Merriam	Taylor
Berg	Isackson	Laidig	Peterson, D.L.	Vega
Bernhagen	Johnson, D.E.	Luther	Peterson, R.W.	Waldorf

Those who voted in the negative were:

Adkins	Frank	Kronebusch	Pehler	Renneke
Chmielewski	Frederickson	Langseth	Peterson, C.C.	Schmitz
Dahl	Freeman	Lantry	Peterson, D.C.	Solon
Davis	Gustafson	Lessard	Pogemiller	Stumpf
DeCramer	Hughes	Moe, R.D.	Purfeerst	
Dicklich	Johnson, D.J.	Novak	Ramstad	
Diessner	Knaak	Olson	Reichgott	

The motion did not prevail. So the amendment was not adopted.

H.F. No. 2287 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 53 and nays 7, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Jude	Moe, R.D.	Renneke
Anderson	Diessner	Knaak	Olson	Schmitz
Belanger	Dieterich	Knutson	Pehler	Sieloff
Berg	Frank	Kronebusch	Peterson, C.C.	Solon
Berglin	Frederick	Laidig	Peterson, D.C.	Spear
Bernhagen	Frederickson	Langseth	Peterson, D.L.	Storm
Bertram	Freeman	Lantry	Petty	Stumpf
Chmielewski	Gustafson	Lessard	Pogemiller	Taylor
Dahl	Hughes	Luther	Purfeerst	Wegscheid
Davis	Johnson, D.E.	McQuaid	Ramstad	
DeCramer	Johnson, D.J.	Mehrkens	Reichgott	

Those who voted in the negative were:

Benson	Kamrath	Peterson, R.W.	Vega	Waldorf
Isackson	Merriam			

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

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Dahl moved that the following members be excused for a Conference Committee on H.F. No. 1950 from 10:00 a.m. to 2:20 p.m.:

Messrs. Dahl, Luther, Knaak, Petty and Spear. The motion prevailed.

SPECIAL ORDER

H.F. No. 2123: A bill for an act relating to the city of Bloomington; authorizing the city to impose certain taxes; increasing the distribution levy from the metropolitan revenue distribution for the city for a specific time period; permitting the city to establish a special taxing district; authorizing the port authority of the city to pledge certain tax revenues to pay certain bonds and permitting it to develop leased land; authorizing development in accordance with the Generic EIS and Generic Indirect Source Permit; amending Minnesota Statutes 1984, section 473F.08, by adding a subdivision.

SUSPENSION OF RULES

Mr. Freeman moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to H.F. No. 2123 and that the rules of the Senate be so far suspended as to give H.F. No. 2123, now on Special Orders, its third reading and place it on its final passage. The motion prevailed.

Mr. Freeman moved that the amendment made to H.F. No. 2123 by the Committee on Rules and Administration in the report adopted March 15, 1986, pursuant to Rule 49, be stricken. The motion prevailed. So the amendment was stricken.

Mr. Freeman then moved to amend H.F. No. 2123 as follows:

Page 2, line 2, delete "major public"

Page 2, line 3, delete everything before the second "improvements" and insert "highway" and delete "to"

Page 2, line 4, delete everything before "that"

Page 2, line 7, delete "public" and insert "highway"

Page 2, line 13, delete "major public" and insert "highway"

Page 2, line 20, delete "related" and insert "highway"

Page 2, line 26, before "Therefore" insert paragraph coding

Page 3, line 26, delete "Related" and insert "Highway"

Page 4, line 9, delete "related" and insert "highway"

Page 4, after line 36, insert:

"Subd. 3. [EXPIRATION.] Any designation of the project as a special tax district and any additional sales tax imposed on the gross receipts from sales at retail made in the project expire the year in which bonds designated for improvements on the project site are retired."

Page 6, lines 4, 7, 11, and 18, delete "related" and insert "highway"

Page 6, line 9, after "area" insert "except operating, maintaining, or promoting public malls, plazas, or courtyards"

Page 7, line 2, delete "related" and insert "highway"

Page 8, line 10, delete "related" and insert "highway"

Page 8, line 19, delete "the related" and insert "highway" and delete "as defined in"

Page 8, line 20, delete "section 2, paragraph (g)"

Page 8, line 32, after the period, insert "For property taxes payable from the year 2000 through 2009, the Hennepin county auditor shall adjust Bloomington's contribution to the area-wide tax base upward each year by a value equal to ten percent of the total additional area-wide levy distributed to Bloomington under this subdivision from 1988 to 1999, divided by the area-wide mill rate for taxes payable in the previous year."

CALL OF THE SENATE

Mr. Belanger imposed a call of the Senate for the balance of the proceedings on H.F. No. 2123. The Sergeant at Arms was instructed to bring in the absent members.

The question recurred on the adoption of the Freeman amendment. The motion prevailed. So the amendment was adopted.

Mr. Moe, D.M. moved that H.F. No. 2123 be laid on the table.

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 15 and nays 33, as follows:

Those who voted in the affirmative were:

Bertram	Jude	Lantry	Peterson, R.W.	Spear
Dahl	Knaak	Merriam	Pogemiller	Vega
Frank	Knutson	Moe, D.M.	Reichgott	Waldorf

Those who voted in the negative were:

Adkins	Frederick	Johnson, D.J.	Moe, R.D.	Renneke
Anderson	Frederickson	Kamrath	Olson	Schmitz
Belanger	Freeman	Kronebusch	Pehler	Solon
Bernhagen	Gustafson	Laidig	Peterson, D.C.	Storm
Chmielewski	Hughes	Lessard	Petty	Taylor
Dicklich	Isackson	McQuaid	Purfeerst	
Diessner	Johnson, D.E.	Mehrkins	Ramstad	

The motion did not prevail.

Mr. Merriam moved to amend H.F. No. 2123 as follows:

Pages 1 and 2, delete section 1

Renumber the sections in sequence and correct the internal references

The motion prevailed. So the amendment was adopted.

Mr. Merriam then moved to amend H.F. No. 2123 as follows:

Pages 2 and 3, delete section 3

Page 6, line 5, delete everything after the semicolon

Page 6, delete lines 6 to 8

Page 6, line 9, delete "area; (iii)" and insert "(ii)"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 14 and nays 34, as follows:

Those who voted in the affirmative were:

Benson	Frederickson	Kamrath	Moe, D.M.	Reichgott
Dahl	Isackson	Laidig	Peterson, R.W.	Vega
Frank	Jude	Merriam	Pogemiller	

Those who voted in the negative were:

Adkins	Frederick	Lantry	Peterson, D.C.	Sieloff
Anderson	Freeman	Lessard	Peterson, D.L.	Spear
Belanger	Gustafson	McQuaid	Petty	Storm
Berglin	Hughes	Mehrrens	Purfeerst	Taylor
Bernhagen	Johnson, D.E.	Moe, R.D.	Ramstad	Waldorf
Bertram	Knaak	Olson	Renneke	Wegscheid
Chmielewski	Kronebusch	Pehler	Schmitz	

The motion did not prevail. So the amendment was not adopted.

Mr. Peterson, R.W. moved to amend H.F. No. 2123 as follows:

Page 3, line 18, delete "blighted"

The motion prevailed. So the amendment was adopted.

Mr. Merriam moved to amend H.F. No. 2123 as follows:

Pages 8 and 9, delete sections 12 and 13

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

Mr. Freeman moved that those not voting be excused from voting. The motion prevailed.

The roll was called, and there were yeas 25 and nays 33, as follows:

Those who voted in the affirmative were:

Berg	Frank	McQuaid	Peterson, C.C.	Reichgott
Berglin	Hughes	Merriam	Peterson, D.C.	Spear
Dahl	Jude	Moe, D.M.	Peterson, R.W.	Stumpf
Diessner	Laidig	Novak	Petty	Vega
Dieterich	Lantry	Pehler	Pogemiller	Waldorf

Those who voted in the negative were:

Adkins	Dicklich	Kamrath	Moe, R.D.	Sieloff
Anderson	Frederickson	Knaak	Olson	Solon
Belanger	Freeman	Knutson	Peterson, D.L.	Storm
Bernhagen	Gustafson	Kronebusch	Purfeerst	Taylor
Bertram	Isackson	Langseth	Ramstad	Wegscheid
Chmielewski	Johnson, D.E.	Lessard	Renneke	
DeCramer	Johnson, D.J.	Mehrkens	Schmitz	

The motion did not prevail. So the amendment was not adopted.

Mr. Peterson, R.W. moved to amend H.F. No. 2123 as follows:

Page 6, line 14, delete "or to"

Page 6, delete line 15

Page 6, line 16, delete everything before the period

The motion prevailed. So the amendment was adopted.

Mr. Freeman moved to amend H.F. No. 2123 as follows:

Page 1, after line 15, insert:

"Section 1.

The legislature finds that providing areawide and local financial assistance, including the provision of security for debt financing, but not including direct subsidies to private interests, in the development of the former metropolitan stadium site, is a public purpose of state, metropolitan, and local government in Minnesota and that it is a benefit to the metropolitan area within the purpose of the metropolitan revenue distribution program pursuant to chapter 473F."

Renumber the sections in sequence and correct the internal references

The motion prevailed. So the amendment was adopted.

Mr. Pogemiller moved to amend H.F. No. 2123 as follows:

Page 7, delete section 10

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion did not prevail. So the amendment was not adopted.

H.F. No. 2123 was read the third time, as amended, and placed on its final passage.

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

Mr. Belanger moved that those not voting be excused from voting. The motion prevailed.

The roll was called, and there were yeas 35 and nays 27, as follows:

Those who voted in the affirmative were:

Anderson	Dicklich	Kamrath	Moe, R.D.	Renneke
Belanger	Frederick	Knutson	Olson	Schmitz
Berglin	Freeman	Kronebusch	Pehler	Sieloff
Bernhagen	Gustafson	Langseth	Peterson, D.C.	Solon
Chmielewski	Isackson	Lessard	Peterson, D.L.	Storm
Davis	Johnson, D.E.	McQuaid	Petty	Taylor
DeCramer	Johnson, D.J.	Mehrkens	Ramstad	Wegscheid

Those who voted in the negative were:

Adkins	Frank	Lantry	Peterson, R. W.	Stumpf
Benson	Frederickson	Merriam	Pogemiller	Vega
Bertram	Hughes	Moe, D. M.	Purfeerst	Waldorf
Dahl	Jude	Nelson	Reichgott	
Diessner	Knaak	Novak	Samuelson	
Dieterich	Laidig	Peterson, C. C.	Spear	

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

SPECIAL ORDER

H.F. No. 1793: A bill for an act relating to game and fish; authorizing stocking of fish in certain streams where public access is granted; amending Minnesota Statutes 1984, section 97.485.

Mr. Dahl moved to amend H.F. No. 1793, as amended pursuant to Rule 49, adopted by the Senate March 14, 1986, as follows:

(The text of the amended House File is identical to S.F. No. 1559.)

Page 2, after line 4, insert:

“Sec. 3. [ANOKA COUNTY DRAINAGE.]

Subdivision 1. [REPAIRS OVER \$100,000 IN ANOKA COUNTY.] A repair under this chapter or chapter 112 of a drainage system located in Anoka county that costs more than \$100,000 may not be started unless a petition is presented to the drainage authority or board of managers, signed by:

- (1) 26 percent of the property owners affected by the repair; or*
- (2) owners of 26 percent of the property affected by the repair.*

Subd. 2. [PETITION TO PROCEED AS IMPROVEMENT.] A repair under this chapter or chapter 112 of a drainage system located in Anoka county must proceed as an improvement under section 106A.215 if, before the contract for the repair is awarded, a petition requesting the repair to proceed as an improvement is presented to the drainage authority or board of managers and signed by:

- (1) 20 percent of the property owners affected by the repair; or*
- (2) the owners of 20 percent of the property affected by the repair.*

Subd. 3. [REPAIR OF ANOKA COUNTY DITCH NO. 57.] Notwithstanding any other law to the contrary, a repair proceeding on Anoka county ditch No. 57 is stayed and may not be continued until August 1, 1986. The repair proceeding must be dismissed and proceed as an improvement under section 106A.215 if a petition requesting that the repair proceed as an improvement is presented to the Coon Creek watershed district managers by August 1, 1986, signed by:

- (1) 10 percent of the property owners affected by the repair; or*
- (2) the owners of 10 percent of the property affected by the repair.”*

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

H.F. No. 1793 was read the third time, as amended, and placed on its final

passage.

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

The roll was called, and there were yeas 52 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Frank	Knutson	Pehler	Schmitz
Anderson	Frederick	Kronebusch	Peterson, C.C.	Sieloff
Belanger	Frederickson	Laidig	Peterson, D.C.	Spear
Benson	Freeman	Lantry	Peterson, D.L.	Storm
Berglin	Gustafson	Lessard	Peterson, R.W.	Taylor
Bernhagen	Hughes	McQuaid	Petty	Vega
Bertram	Isackson	Mehrkens	Pogemiller	Waldorf
Chmielewski	Johnson, D.E.	Merriam	Purfeerst	Wegscheid
Dahl	Jude	Moe, R.D.	Ramstad	
Dicklich	Kamrath	Novak	Reichgott	
Dieterich	Knaak	Olson	Renneke	

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

SPECIAL ORDER

H.F. No. 2010: A bill for an act relating to the state high school league; providing for the appointment of certain board members; providing penalties for recruiting students; providing for student athletics and activity eligibility after certain transfers; providing standards for student participation in non-scholastic activities; providing administrative appeals from various decisions; amending Minnesota Statutes 1984, section 129.121, subdivision 1, and by adding subdivisions.

Mr. Merriam moved to amend H.F. No. 2010 as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1984, section 129.121, subdivision 1, is amended to read:

Subdivision 1. The governing board of any *Minnesota* high school may delegate the control, supervision and regulation of interscholastic athletics and other extracurricular activities, referred to in section 123.38, to the Minnesota state high school league, a nonprofit incorporated voluntary association. Membership in ~~said Minnesota state high school~~ the league shall be composed of ~~such Minnesota~~ high schools whose governing boards have certified in writing to the state commissioner of education that they have elected to delegate the control, supervision and regulation of their interscholastic athletic events and other extracurricular activities to ~~said the~~ league. The ~~Minnesota state high school~~ league is ~~hereby empowered to exercise the, within the limits established in this section, may control, supervision super-~~ ~~vise, and regulation of regulate~~ interscholastic athletics, musical, dramatic and other contests by and between pupils of the ~~Minnesota member~~ high schools; ~~delegated to it pursuant to this section.~~ The ~~Minnesota~~ high school league may ~~establish a policy or guidelines for the guidance of guide~~ member high schools in the voluntary formation or alteration of athletic or other extracurricular conferences. *The board of directors of the league shall include a licensed teacher, a representative appointed by the Minnesota association of secondary school principals, a public member appointed by*

the governor, and other members selected and appointed according to the procedures of the league. The commissioner of education, or his representative, shall be an ex officio member of the governing body of ~~such~~ the league, with the same rights and privileges as other members of its governing body. The rules and regulations of ~~said~~ the league shall be exempt from the provisions of sections 14.02, 14.04 to 14.36, 14.38, and 14.44 to 14.45, and 14.57 to 14.62.

Sec. 2. Minnesota Statutes 1984, section 129.121, is amended by adding a subdivision to read:

Subd. 1a. [NONSCHOLASTIC AND OUT-OF-SEASON ACTIVITIES.] The high school league may not regulate, directly or indirectly, pupil participation in a nonscholastic athletic activity or event during the period the pupil is not participating in interscholastic athletics. A pupil may participate in any nonscholastic athletic activity or event out-of-season without loss of eligibility to participate in interscholastic athletics.

A pupil may receive private individualized athletic instruction or training during the school year and during the sports season from an individual who is not a member of the high school coaching staff without loss of eligibility to participate in interscholastic athletics.

A school, or an employee, coach, or agent of a school may not require a pupil to participate in any athletic activity or event outside of or separate from those sponsored by the school as a condition of participation in the school's interscholastic athletic activity.

Sec. 3. Minnesota Statutes 1984, section 129.121, is amended by adding a subdivision to read:

Subd. 1b. [ADMINISTRATIVE HEARING.] Any party aggrieved by a league action or decision affecting an individual's or school's participation in interscholastic athletics or other activities may appeal the action or decision by requesting a hearing within seven days after the action is taken or decision is issued. The request must be in writing and filed with the league. Within three working days after receiving a request for a hearing, the league shall refer the matter to the office of administrative hearings where the hearing shall be conducted as a contested case according to the provisions of chapter 14. The hearing shall commence within seven days after the office has received the request and shall be conducted according to the conference contested case rules adopted by the chief administrative law judge. The administrative law judge shall issue a final written decision within seven days following the close of the hearing. Any party aggrieved by that decision may seek judicial review according to sections 14.62 to 14.69.

The fee for the administrative law judge's services shall be paid by the league.

Sec. 4. Minnesota Statutes 1984, section 129.121, is amended by adding a subdivision to read:

Subd. 1c. [ELIGIBILITY FOR COMPETITION.] A pupil who transfers from one high school to another is eligible to compete at all levels of competition until all proceedings under league rules and, if applicable, section 3, excluding judicial review, have been completed.

Sec. 5. [EFFECTIVE DATE.]

Sections 1, 2, 3, and 4 are effective August 1, 1987."

Delete the title and insert:

"A bill for an act relating to the state high school league; providing standards for student participation in nonscholastic activities; providing administrative appeals from various decisions; amending Minnesota Statutes 1984, section 129.121, subdivision 1, and by adding subdivisions."

CALL OF THE SENATE

Mr. Merriam imposed a call of the Senate for the balance of the proceedings on H.F. No. 2010. The Sergeant at Arms was instructed to bring in the absent members.

Mr. Benson moved to amend the Merriam amendment to H.F. No. 2010 as follows:

Pages 1 and 2, delete section 2

Renumber the sections of the Merriam amendment in sequence and correct the internal references

Amend the title amendment accordingly

The question was taken on the adoption of the Benson amendment to the Merriam amendment.

The roll was called, and there were yeas 17 and nays 36, as follows:

Those who voted in the affirmative were:

Adkins	Bertram	Kamrath	Peterson, C.C.	Taylor
Anderson	Frederick	Kronebusch	Peterson, D.L.	
Benson	Isackson	Lantry	Purfeerst	
Bernhagen	Johnson, D.E.	Mehrkens	Renneke	

Those who voted in the negative were:

Berglin	Hughes	Merriam	Petty	Storm
Chmielewski	Jude	Moe, D.M.	Pogemiller	Vega
Dahl	Knaak	Moe, R.D.	Ramstad	Waldorf
Dicklich	Knutson	Nelson	Reichgott	Wegscheid
Diessner	Laidig	Olson	Schmitz	
Frank	Lessard	Pehler	Sieloff	
Frederickson	Luther	Peterson, D.C.	Solon	
Gustafson	McQuaid	Peterson, R.W.	Spear	

The motion did not prevail. So the amendment to the amendment was not adopted.

The question recurred on the adoption of the Merriam amendment.

The roll was called, and there were yeas 35 and nays 16, as follows:

Those who voted in the affirmative were:

Chmielewski	Hughes	Luther	Peterson, D.C.	Solon
Dahl	Johnson, D.E.	McQuaid	Peterson, R.W.	Spear
Dicklich	Jude	Merriam	Petty	Storm
Diessner	Knaak	Moe, D.M.	Pogemiller	Taylor
Frank	Knutson	Nelson	Ramstad	Vega
Frederickson	Laidig	Olson	Reichgott	Waldorf
Gustafson	Lessard	Pehler	Sieloff	Wegscheid

Those who voted in the negative were:

Adkins
Anderson
Benson
Bernhagen

Bertram
Frederick
Isackson

Kamrath
Kronebusch
Lantry

Mehrkens
Moe, R.D.
Peterson, C.C.

Peterson, D.L.
Purfeerst
Renneke

The motion prevailed. So the amendment was adopted.

H.F. No. 2010 was read the third time, as amended, and placed on its final passage.

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

Mr. Isackson moved that those not voting be excused from voting. The motion prevailed.

The roll was called, and there were yeas 36 and nays 23, as follows:

Those who voted in the affirmative were:

Belanger
Berglin
Chmielewski
Dahl
DeCramer
Dicklich
Diessner
Frank

Gustafson
Hughes
Jude
Knaak
Knutson
Laidig
Lessard
Luther

McQuaid
Merriam
Moe, D.M.
Moe, R.D.
Nelson
Olson
Pehler
Peterson, D.C.

Peterson, R.W.
Petty
Pogemiller
Ramstad
Reichgott
Sieloff
Solon
Spear

Storm
Vega
Waldorf
Wegscheid

Those who voted in the negative were:

Adkins
Anderson
Benson
Berg
Bernhagen

Bertram
Davis
Frederick
Frederickson
Isackson

Johnson, D.E.
Kamrath
Kronebusch
Langseth
Lantry

Mehrkens
Peterson, C.C.
Peterson, D.L.
Purfeerst
Renneke

Schmitz
Stumpf
Taylor

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

SPECIAL ORDER

H.F. No. 450: A bill for an act relating to children; replacing the state election campaign fund with a child abuse prevention trust fund; providing for disbursement of funds for child abuse prevention; creating a tax return checkoff to fund the child abuse prevention trust fund; appropriating money; amending Minnesota Statutes 1984, sections 10A.25, subdivision 10, and by adding a subdivision; 290.06, subdivision 11; and 290.39, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 257 and 290; repealing Minnesota Statutes 1984, sections 10A.30 to 10A.335.

Mr. Hughes moved to amend H.F. No. 450, the unofficial engrossment, as follows:

Page 1, line 28, delete everything after "Subd. 6." and insert "[COMMISSIONER.] "Commissioner" means the commissioner of public safety."

Page 2, delete line 1

Page 3, line 14, delete "director, acting upon the recommendations" and insert "commissioner, with the advice and consent"

Page 3, line 20, delete "public safety,"

Page 3, line 21, delete “, and the attorney general”

Page 3, line 22, delete “*president of the senate*” and insert “*subcommittee on committees of the senate*”

Page 3, line 23, delete “*one member*” and insert “*two members*”

Page 3, line 24, after “*bodies*” insert “, *one from each caucus*”

Page 3, line 32, delete “*make recommendations for the*”

Page 3, line 33, delete “*disbursement of trust fund money and otherwise*”

Page 3, line 34, delete “*director to carry*” and insert “*commissioner in carrying*”

Page 3, line 36, delete “*director*” and insert “*commissioner*”

Page 4, lines 2, 6, 9, 26, and 33, delete “*director*” and insert “*commissioner*”

Page 4, line 8, delete “DIRECTOR” and insert “COMMISSIONER”

Page 5, line 8, delete “*director*” and insert “*commissioner*”

Page 6, lines 9, 20, and 31, delete “*director*” and insert “*commissioner*”

Page 6, line 28, delete “30” and insert “40”

Page 7, lines 9, 13, 17, 23, 27, 29, and 33, delete “*director*” and insert “*commissioner*”

Page 7, line 28, after the period, insert “*The approved complement of the department of public safety is increased by one unclassified and one classified position in the civil service of the state.*”

Page 8, lines 1 and 4, delete “*director*” and insert “*commissioner*”

Page 8, line 23, delete “*director of state*” and insert “*commissioner of public safety*”

Page 8, line 24, delete “*planning*”

Page 8, line 27, delete “*director of state planning*” and insert “*commissioner of public safety*”

Page 8, line 30, delete “August” and insert “July”

Amend the title as follows:

Page 1, line 5, delete “state planning director” and insert “commissioner of public safety”

The motion prevailed. So the amendment was adopted.

H.F. No. 450 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 41 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Frank	Lantry	Peterson, D.L.	Soloh
Anderson	Frederickson	Lessard	Peterson, R.W.	Spear
Benson	Hughes	McQuaid	Petty	Storm
Berglin	Isackson	Mehrkens	Pogemiller	Taylor
Bernhagen	Johnson, D.E.	Merriam	Purfeerst	Vega
Bertram	Jude	Moe, R.D.	Ramstad	
Chmielewski	Kamrath	Olson	Reichgott	
Dahl	Kronebusch	Pehler	Renneke	
Diessner	Laidig	Peterson, D.C.	Schmitz	

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

SPECIAL ORDER

H.F. No. 2044: A bill for an act relating to courts; altering the responsibility for establishing the salary of the state court administrator and district court administrator; amending Minnesota Statutes 1984, sections 15A.083, subdivision 4; 480.13; and 484.68, subdivision 6.

Mr. Luther moved to amend H.F. No. 2044, as amended pursuant to Rule 49, adopted by the Senate March 7, 1986, as follows:

(The text of the amended House File is identical to S.F. No. 1946.)

Page 2, line 9, delete "*the effective date of this act*" and insert "*January 1, 1988*".

The motion prevailed. So the amendment was adopted.

Mr. Luther then moved to amend H.F. No. 2044, as amended pursuant to Rule 49, adopted by the Senate March 7, 1986, as follows:

(The text of the amended House File is identical to S.F. No. 1946.)

Page 2, line 2, delete "*95 percent of*".

The motion prevailed. So the amendment was adopted.

Mr. Waldorf moved to amend H.F. No. 2044, as amended pursuant to Rule 49, adopted by the Senate March 7, 1986, as follows:

(The text of the amended House File is identical to S.F. No. 1946.)

Page 2, after line 22, insert:

"Sec. 2. Minnesota Statutes 1984, section 214.04, subdivision 3, is amended to read:

Subd. 3. The executive secretary of each health related and non-health related board shall be the chief administrative officer for the board but he shall not be a member of the board. He shall maintain the records of the board, account for all fees received by it, supervise and direct employees servicing the board, and perform other services as directed by the board. The executive secretaries and other employees of the following boards shall be hired by the board, and the executive secretaries shall be in the unclassified civil service, *except as provided in this subdivision*:

- (1) dentistry;
- (2) medical examiners;
- (3) nursing;

- (4) pharmacy;
- (5) accountancy;
- (6) architecture, engineering, land surveying and landscape architecture;
- (7) barber examiners;
- (8) cosmetology;
- (9) electricity;
- (10) teaching; and
- (11) peace officer standards and training.

The board of medical examiners shall set the salary of its executive secretary, which may not exceed 95 percent of the top of the salary range set for the commissioner of health in section 15A.081, subdivision 1. At least 30 days before the board of medical examiners adopts a salary increase for its executive secretary, the board shall submit the proposed salary increase to the legislative commission on employee relations for its review.

The executive secretaries serving the remaining boards shall be hired by those boards, and shall be in the unclassified civil service except for part-time executive secretaries, who are not required to be in the unclassified service. Boards not requiring a full-time executive secretary may employ such services on a part-time basis. To the extent practicable the sharing of part-time executive secretaries by boards being serviced by the same department is encouraged. Persons providing services to those boards not listed in this subdivision, except executive secretaries of the boards and employees of the attorney general, shall be classified civil service employees of the department servicing the board. To the extent practicable the commissioner shall insure that staff services are shared by the boards being serviced by the department. If necessary, a board may hire part-time, temporary employees to administer and grade examinations."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete "courts" and insert "compensation of certain public employees"

Page 1, line 4, after the semicolon, insert "authorizing the board of medical examiners to set the salary of its executive secretary within certain limits;"

Page 1, line 6, after the semicolon, insert "and 214.04, subdivision 3;"

The motion prevailed. So the amendment was adopted.

H.F. No. 2044 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 47 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Gustafson	Lantry	Peterson, D.L.	Solon
Belanger	Hughes	Lessard	Peterson, R.W.	Spear
Benson	Isackson	Luther	Petty	Storm
Bernhagen	Johnson, D.E.	McQuaid	Pogemiller	Taylor
Bertram	Jude	Mehrkens	Purfeerst	Vega
Chmielewski	Kamrath	Merriam	Ramstad	Waldorf
Dahl	Knaak	Moe, D.M.	Reichgott	Wegscheid
Diessner	Knutson	Olson	Renneke	
Frederickson	Kronebusch	Pehler	Schmitz	
Freeman	Laidig	Peterson, D.C.	Sieloff	

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

SPECIAL ORDER

H.F. No. 2023: A bill for an act relating to elections; changing certain procedures in absentee voting; increasing minimum number of election judges in certain precincts; changing certain official ballots for judicial candidates; requiring vendor bonds for certain voting systems; requiring public notice and demonstration for new voting equipment; authorizing standard ballot format; limiting number of ballots at single counting centers; amending Minnesota Statutes 1984, sections 203B.08, subdivisions 1a and 3a; 204B.22, by adding a subdivision; 204B.36, subdivision 4; 204D.14, subdivision 2; 206.56, by adding a subdivision; 206.57, by adding a subdivision; 206.58, subdivision 1; 206.82, by adding a subdivision; 206.84, subdivision 3; and 206.85, 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 49 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Frederick	Kronebusch	Pehler	Schmitz
Anderson	Frederickson	Laidig	Peterson, C.C.	Sieloff
Belanger	Gustafson	Lantry	Peterson, D.C.	Solon
Bernhagen	Hughes	Lessard	Peterson, R.W.	Spear
Bertram	Isackson	Luther	Petty	Storm
Chmielewski	Johnson, D.E.	McQuaid	Pogemiller	Taylor
Dahl	Jude	Mehrkens	Purfeerst	Vega
Dicklich	Kamrath	Merriam	Ramstad	Waldorf
Diessner	Knaak	Novak	Reichgott	Wegscheid
Frank	Knutson	Olson	Renneke	

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 2170: A bill for an act relating to wild animals; authorizing the captive propagation and sale of raptors; amending Minnesota Statutes 1984, section 99.27, 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 39 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Frank	Kronebusch	Peterson, D.C.	Sieloff
Anderson	Frederick	Laidig	Peterson, D.L.	Solon
Belanger	Frederickson	Lantry	Peterson, R.W.	Spear
Benson	Freeman	Lessard	Petty	Storm
Bernhagen	Hughes	McQuaid	Purfeerst	Taylor
Bertram	Isackson	Novak	Ramstad	Vega
Dahl	Jude	Olson	Reichgott	Waldorf
Diessner	Knutson	Pehler	Schmitz	

So the bill passed and its title was agreed to.

SPECIAL ORDER

The question recurred on S.F. No. 2179.

S.F. No. 2179: A bill for an act relating to commerce; consumer protection; requiring the repair, refund, or replacement of new motor vehicles and new farm tractors under certain circumstances; prescribing certain settlement procedures; amending Minnesota Statutes 1984, section 325F.665, as amended; proposing coding for new law in Minnesota Statutes, chapter 325F.

Mr. Dahl moved to amend S.F. No. 2179 as follows:

Page 2, line 21, delete "and"

Page 2, line 26, before the period, insert ";

(g) "motor vehicle lessor" means a person who holds title to a motor vehicle leased to a lessee under a written lease agreement or who holds the lessor's rights under such agreement;

(h) "early termination costs" means expenses and obligations incurred by a motor vehicle lessor as a result of an early termination of a written lease agreement and surrender of a motor vehicle to a manufacturer under subdivision 4, including penalties for prepayment of finance arrangements and investment tax credits not allowed for the year in which such termination occurs and for prior years; and

(i) "early termination savings" means expenses and obligations avoided by a motor vehicle lessor as a result of an early termination of a written lease agreement and surrender of a motor vehicle to a manufacturer under subdivision 4, including the interest charges the motor vehicle lessor would have otherwise paid to finance the motor vehicle"

Page 5, after line 34, insert:

"Nothing contained in this section shall prohibit a motor vehicle lessor from recovering early termination costs incurred or early termination savings received pursuant to this section."

Page 8, after line 27, insert:

"Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective August 1, 1986, and applies to all leased vehicles which are still under an express manufacturer's warranty and were originally delivered during the previous one-year period."

The motion prevailed. So the amendment was adopted.

S.F. No. 2179 was read the third time, as amended, and placed on its final

passage.

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

The roll was called, and there were yeas 39 and nays 3, as follows:

Those who voted in the affirmative were:

Adkins	Frank	Knaak	Peterson, C.C.	Sieloff
Anderson	Frederick	Knutson	Peterson, D.C.	Solon
Belanger	Frederickson	Laidig	Peterson, R.W.	Spear
Benson	Freeman	Lantry	Petty	Storm
Bernhagen	Gustafson	Lessard	Purfeerst	Taylor
Bertram	Hughes	McQuaid	Ramstad	Vega
Dahl	Isackson	Olson	Reichgott	Waldorf
Diessner	Johnson, D.E.	Pehler	Renneke	

Mrs. Kronebusch, Messrs. Mehrkens and Peterson, D.L. voted in the negative.

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

SPECIAL ORDER

H.F. No. 1035: A bill for an act relating to frauds; fixing conditions for the legal determination of fraud in property transfers; enacting the uniform fraudulent transfer act; proposing coding for new law in Minnesota Statutes, chapter 513; repealing Minnesota Statutes 1984, sections 513.20; 513.21; 513.22; 513.23; 513.24; 513.25; 513.26; 513.27; 513.28; 513.29; 513.30; 513.31; and 513.32.

Mr. Sieloff moved to amend H.F. No. 1035, as amended by the Committee on Judiciary, adopted by the Senate February 24, 1986, as follows:

Page 10, delete section 14 added by the Committee on Judiciary

The motion prevailed. So the amendment was adopted.

H.F. No. 1035 was then progressed.

SPECIAL ORDER

S.F. No. 1621: A bill for an act relating to public indebtedness; permitting the investment of debt service funds in face amount certificates; providing for use of bonds proceeds for construction of a municipal public safety facility by the city of Hutchinson; amending Minnesota Statutes 1984, section 136.31, subdivision 5; Minnesota Statutes 1985 Supplement, section 475.66, subdivision 3.

Mr. Frederickson moved to amend S.F. No. 1621 as follows:

Pages 2 and 3, delete sections 2 and 3 and insert:

“Sec. 2. Minnesota Statutes 1984, section 69.77, subdivision 2, is amended to read:

Subd. 2. The penalty provided for in subdivision 1 shall not apply to a relief association enumerated in subdivision 1a if the following requirements are met:

(1) Each member of the relief association pays into the special fund of the

association during a year of covered service, a contribution for retirement coverage including survivorship benefits of not less than eight percent of the maximum rate of salary upon which retirement coverage is credited and service pension and retirement benefit amounts are determined. The member contributions shall be made by payroll deduction from the salary of the member by the municipality, and shall be transmitted by the municipality to the relief association as soon as practical. The relief association shall deposit the member contribution to the credit of the special fund of the relief association. The member contribution requirement specified in this clause shall not apply to any members who are volunteer firefighters.

(2) The officers of the relief association determine the financial requirements of the relief association and minimum obligation of the municipality for the following calendar year in accordance with the requirements of this clause. The financial requirements of the relief association and the minimum obligation of the municipality shall be determined on or before the submission date established by the municipality pursuant to clause (3).

The financial requirements of the relief association for the following calendar year shall be based on the most recent actuarial valuation or survey prepared in accordance with sections 356.215, subdivision 4 and 356.216, as required pursuant to clause (8). In the event that an actuarial estimate is prepared by the actuary of the relief association as part of obtaining a modification of the benefit plan of the relief association and the modification is implemented, the actuarial estimate shall be used in calculating the financial requirements of the relief association.

If the relief association has an unfunded accrued liability as reported in the most recent actuarial valuation or survey, the total of the amounts calculated pursuant to clauses (a) and (b) shall constitute the financial requirements of the relief association for the following year. If the relief association does not have an unfunded accrued liability as reported in the most recent actuarial valuation or survey the amount calculated pursuant to subclause (a) shall constitute the financial requirements of the relief association for the following year.

(a) The normal level cost requirement for the following year, expressed as a dollar amount, which shall be determined by applying the normal level cost of the relief association as reported in the actuarial valuation or survey and expressed as a percentage of covered payroll to the estimated covered payroll of the active membership of the relief association, including any projected increase in the active membership, for the following year.

(b) To the dollar amount of normal cost thus determined shall be added an amount equal to the level annual dollar amount which is sufficient to amortize the unfunded accrued liability by December 31, 2010, as determined from the actuarial valuation or survey of the fund, using an interest assumption set at the rate specified in section 356.215, subdivision 4, clause (4). The amortization date specified in this subclause shall apply to all local police or salaried firefighters relief associations and shall supersede any amortization date specified in any applicable special law.

The minimum obligation of the municipality shall be an amount equal to the financial requirements of the relief association reduced by the estimated amount of member contributions from covered salary anticipated for the fol-

lowing calendar year and the estimated amounts from the applicable state aid program established pursuant to sections 69.011 to 69.051 anticipated as receivable by the relief association after any allocation pursuant to section 69.031, subdivision 5, clause (2), subclause (c) or 423A.01, subdivision 2, clause (6), and from the local police and salaried firefighters' relief association amortization aid program established pursuant to section 423A.02 anticipated for the following calendar year.

(3) The officers of the relief association shall submit determination of the financial requirements of the relief association and of the minimum obligation of the municipality to the governing body on or before the date established by the municipality which shall not be earlier than August 1 and shall not be later than September 1 of each year. The governing body of the municipality shall ascertain whether or not the determinations were prepared in accordance with law.

(4) The municipality shall provide for and shall pay each year at least the amount of the minimum obligation of the municipality to the relief association. If there is any deficiency in the municipal payment to meet the minimum obligation of the municipality as of the end of any calendar year, the amount of the deficiency shall be added to the minimum obligation of the municipality for the following year calculated pursuant to clause (2) and shall include interest at the rate of six percent per annum compounded from the date that the municipality was required to make payment pursuant to this clause until the date that the municipality actually makes the required payment.

(5) The municipality shall provide in the annual municipal budget for at least the minimum obligation of the municipality calculated pursuant to clause (2). The municipality may levy taxes for the payment of the minimum obligation of the municipality without any limitation as to rate or amount and irrespective of limitations imposed by other provisions of law upon the rate or amount of taxation when the balance of the special fund or any fund of the relief association has attained a specified minimum asset level. In addition, any taxes levied pursuant to this section shall not cause the amount or rate of other taxes levied in that year or to be levied in a subsequent year by the municipality which are subject to a limitation as to rate or amount to be reduced. If the municipality does not include the full amount of the minimum obligation of the municipality in the levy that the municipality certified to the county auditor in any year, the officers of the relief association shall certify the amount of any deficiency to the county auditor. Upon verifying the existence of any deficiency in the levy certified by the municipality, the county auditor shall spread a levy over the taxable property of the municipality in the amount of the deficiency certified to by the officers of the relief association.

(6) Any sums of money paid by the municipality to the relief association in excess of the minimum obligation of the municipality in any year shall be used to amortize any unfunded liabilities of the relief association.

(7) The funds of the association shall be invested in securities which are proper investments pursuant to section 11A.24, except that up to \$10,000 may be invested in the stock of any one corporation in any account of such small size that the five percent stock limitation specified in section 11A.24, subdivision 5 would necessitate a lesser investment. Notwithstanding the foregoing, up to 75 percent of the market value of the assets of the fund may

be invested in open-end investment companies registered under the federal Investment Company Act of 1940, if the portfolio investments of the investment companies comply with the type of securities authorized for investment by section 11A.24, subdivisions 2 to 5. The association may also invest funds in Minnesota situs nonfarm real estate ownership interests or loans secured by mortgages or deeds of trust, provided that the amount of all investments in real property shall not exceed ten percent of the market value of the association's fund. *The association may also invest in face amount certificates issued by a face amount certificate investment company registered under the Federal Investment Company Act of 1940 whose face amount certificates are registered under the Federal Securities Act of 1933.* Securities held by the association before July 1, 1971, which do not meet the requirements of this paragraph may be retained after that date if they were proper investments for the association on April 28, 1969. The governing board of the association may select and appoint investment agencies to act for and in its behalf or may certify funds for investment by the state board under the provisions of section 11A.17, provided that there be no limit to the amount which may be invested in the income share account, in the bond account, or in the fixed-return account, and that up to 20 percent of that portion of the assets of the association invested in the Minnesota supplemental investment fund may be invested in the growth share account.

(8) The association shall procure an actuarial valuation showing the condition of the special fund of the relief association pursuant to sections 356.215 and 356.216 as of December 31 of every year. A copy of the actuarial survey shall be filed with the director of the legislative reference library, the governing body of the municipality in which the association is organized, the executive secretary of the legislative commission on pensions and retirement, and the commissioner of commerce, not later than June 1 of the following year."

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

S.F.No. 1621 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 42 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Knaak	Peterson, C.C.	Solon
Anderson	Diessner	Knutson	Peterson, D.C.	Spear
Belanger	Frank	Kronebusch	Peterson, D.L.	Storm
Benson	Frederickson	Lantry	Peterson, R.W.	Stumpf
Berglin	Gustafson	McQuaid	Petty	Taylor
Bernhagen	Hughes	Mehrkens	Purfeerst	Wegscheid
Bertram	Isackson	Novak	Ramstad	
Chmielewski	Jude	Olson	Renneke	
Dahl	Kamrath	Pehler	Schmitz	

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

SPECIAL ORDER

H.F. No. 1970: A bill for an act relating to state lands; prescribing

appraisal for conveyance of surplus state land in Dakota county to city of Hastings; amending Laws 1985, chapter 61, section 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 40 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Diessner	Knutson	Peterson, C.C.	Renneke
Belanger	Frederick	Kronebusch	Peterson, D.C.	Schmitz
Benson	Frederickson	Laidig	Peterson, D.L.	Sieloff
Bernhagen	Gustafson	Lantry	Peterson, R.W.	Spear
Bertram	Hughes	McQuaid	Petty	Storm
Chmielewski	Jude	Mehrkins	Purfeerst	Stumpf
Dahl	Kamrath	Olson	Ramstad	Taylor
Davis	Knaak	Pehler	Reichgott	Wegscheid

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 2329: A bill for an act relating to Dakota county; authorizing the issuance of bonds for the construction of library buildings and an annual levy for debt retirement.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 43 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Kamrath	Pehler	Renneke
Anderson	DeCramer	Knaak	Peterson, C.C.	Sieloff
Belanger	Diessner	Knutson	Peterson, D.C.	Solon
Benson	Frederick	Kronebusch	Peterson, D.L.	Spear
Berglin	Frederickson	Laidig	Peterson, R.W.	Storm
Bernhagen	Gustafson	Lantry	Petty	Stumpf
Bertram	Hughes	McQuaid	Purfeerst	Taylor
Chmielewski	Isackson	Mehrkins	Ramstad	
Dahl	Jude	Novak	Reichgott	

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 2364: A bill for an act relating to transportation; railroads; permitting transportation regulation board to approve certain rate changes and applications for track abandonment or discontinuance of service in certain cases without a public hearing; providing for imposition of misdemeanor penalty for certain violations relating to movement of hazardous materials; amending Minnesota Statutes 1984, sections 221.041, subdivision 1; and 221.291, subdivision 3; Minnesota Statutes 1985 Supplement, sections 219.741; and 219.85.

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 38 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Diessner	Knaak	Peterson, C.C.	Sieloff
Anderson	Frederick	Knutson	Peterson, D.L.	Spear
Bernhagen	Frederickson	Kronebusch	Peterson, R.W.	Storm
Bertram	Gustafson	Laidig	Petty	Stumpf
Chmielewski	Hughes	Lantry	Ramstad	Taylor
Dahl	Isackson	McQuaid	Reichgott	Wegscheid
Davis	Jude	Novak	Renneke	
DeCramer	Kamrath	Pehler	Schmitz	

So the bill passed and its title was agreed to.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Langseth moved that the following members be excused for a Conference Committee on H.F. No. 1599 from 11:00 a.m. to 8:30 p.m.:

Messrs. Langseth, Stumpf, Davis, Berg and DeCramer. The motion prevailed.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Pogemiller moved that the following members be excused for a Conference Committee on H.F. No. 2287 at 6:45 p.m.:

Messrs. Pogemiller, Johnson, D.J., Frank, Freeman and Ms. Olson. The motion prevailed.

RECESS

Mr. Moe, R.D. moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

CALL OF THE SENATE

Mr. Luther imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

SPECIAL ORDER

H.F. No. 1847: A bill for an act relating to unemployment compensation; altering the public policy statement; changing the taxable wage base; defining credit week; providing for employer charging; increasing the eligibility requirement; eliminating certain tax rate limitations; changing the weekly benefit amount; setting the maximum weekly benefit; providing for the duration of benefits; increasing the duration of benefits for claimants in counties with high unemployment; providing for seasonal employees; making the waiting week nonreimbursable; amending the benefit offset for severance pay; increasing the period of time and earnings necessary for requalification after disqualification; changing the definition of suitable work; transferring duties to the office of administrative hearings; amending Minnesota Statutes

1984, sections 14.03, subdivision 2; 14.53; 43A.18, subdivision 4; 179A.10, subdivision 1; 268.03; 268.04, subdivisions 25 and 29; 268.06, subdivisions 5, 8, 18, 19, and 20; 268.07, subdivisions 2 and 2a; 268.08, subdivision 3; 268.09, subdivisions 1 and 2; 268.10, subdivisions 2, 3, 4, 5, 6, and 9; 268.12, subdivisions 8, 9, 10, and 13; and 268.18, subdivisions 1 and 2; Minnesota Statutes 1985 Supplement, sections 14.48; 14.51; 268.08, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 268; repealing Minnesota Statutes 1984, section 268.04, subdivision 30.

Mr. Pehler moved to amend H.F. No. 1847 as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1985 Supplement, section 268.0111, is amended by adding a subdivision to read:

Subd. 3a. [DEPARTMENT.] “Department” means the department of jobs and training.

Sec. 2. Minnesota Statutes 1984, 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; except that, if during the base period an individual received workers’ compensation for temporary disability under chapter 176 or a 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 a similar law of the United States, the individual’s base period shall be lengthened to the extent stated as follows:

(1) if an individual was compensated, as described above, for a loss of work of seven to 13 weeks, the original base period shall be extended to include one calendar quarter preceding the original base period; or

(2) if an individual was compensated, as described above, for a loss of work of 14 to 26 weeks, the original base period shall be extended to include two calendar quarters preceding the original base period; or

(3) if an individual was compensated, as described above, for a loss of work from 27 to 39 weeks, the original base period shall be extended to include the first three calendar quarters preceding the original base period; or

(4) if an individual was compensated, as described above, for a loss of work from 40 to 52 weeks, the original base period shall be extended to include the first four quarters preceding the original 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. 3. Minnesota Statutes 1984, section 268.04, subdivision 4, is amended to read:

Subd. 4. "Benefit year" with respect to any individual means the period of fifty-two calendar weeks beginning with the first day of the first week with respect to which the individual files a valid claim for benefits. *For individuals with a claim effective January 1, April 1, July 1, or October 1, the benefit year will be a period of 53 weeks beginning with the first week with respect to which the individual files a valid claim for benefits.*

Sec. 4. Minnesota Statutes 1984, 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~~ *been paid wages* during his base period sufficient to entitle him to benefits under section 268.07, subdivision 2.

Sec. 5. Minnesota Statutes 1984, 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~~ *the* 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)~~ *\$10,700 in 1986, \$11,200 in 1987, \$11,700 in 1988, \$12,200 in 1989, \$12,700 in 1990, \$13,300 in 1991, or, for each year thereafter, 60 percent of the average annual wage rounded to the nearest \$100 computed in accordance with clause (f); except that, for each employer that has an experience ratio of less than one-tenth or one percent, that part of the remuneration which exceeds \$8,000 in 1986, \$8,900 in 1987, \$10,000 in 1988, \$11,100 in 1989, \$12,200 in 1990, \$13,300 in 1991, or, for each year thereafter, 60 percent of the average annual wage rounded to the nearest \$100 computed in accordance with clause (f), 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 (3) 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. 6. Minnesota Statutes 1984, 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. 7. Minnesota Statutes 1984, 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. 8. Minnesota Statutes 1984, 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. 9. Minnesota Statutes 1984, 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. 10. Minnesota Statutes 1984, section 268.06, subdivision 3a, is amended to read:

Subd. 3a. [RATE FOR NEW EMPLOYERS.] (a) 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 7-1/2 percent, 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 of 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 of 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.

(b) Each construction employer described above under paragraph (a) who becomes subject to this chapter shall pay contributions at a rate, not exceeding 7-1/2 percent the maximum contribution rate for all employers as provided under 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 of 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 of 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. 11. Minnesota Statutes 1984, 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 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.

(b) The minimum rate for all employers that have benefits charged to their account at any time during the period described in subdivision 6 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) The minimum rate for all employers that have not had benefits charged to their account at any time during the period described in subdivision 6 shall be two-tenths of one percent less than the minimum rate under paragraph (b) for 1987 and each year thereafter, provided that no rate can be less than zero percent.

(d) The maximum rate for for all employers shall be seven and one-half percent for 1987 and thereafter; except that, an employer who has had a contribution rate of at least seven and one-half percent for each of the last five calendar years shall be subject to a maximum rate of eight and one-half percent.

(e) A voluntary contribution paid under subdivision 24 shall not qualify an employer for assignment of a minimum rate under paragraph (c), nor avoidance of the higher maximum rate under paragraph (d).

(f) 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. 12. Minnesota Statutes 1984, section 268.06, is amended by adding a subdivision to read:

Subd. 8a. [SOLVENCY ASSESSMENT.] If the fund balance is less than \$50,000,000 on September 30, 1986, or any year thereafter, a solvency assessment will be in effect for the following calendar year. Each employer, except those making payments in lieu of contributions under subdivisions 25, 26, 27, and 28, and those assigned a minimum rate under subdivision 8, paragraph (c), shall pay a quarterly solvency assessment of ten percent multiplied by the contributions paid or due and payable for each calendar quarter in that year. Quarterly contributions and the solvency assessment payments shall be combined and will be computed notwithstanding the maximum rate established in subdivision 3a or 8, by multiplying the quarterly taxable payroll by the assigned contribution rate multiplied by 1.10.

Sec. 13. Minnesota Statutes 1984, section 268.07, subdivision 2, is amended to read:

Subd. 2. [WEEKLY BENEFIT AMOUNT AND DURATION.] (a) 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. To establish a benefit year for unemployment compensation insurance benefits, effective after January 1, 1987, and thereafter, an individual must have:

(1) wage credits in two or more calendar quarters of the individual's base period; and

(2) minimum total base period wage credits equal to the high quarter wages multiplied by 1.4; and

(3) high quarter wage credits of not less than \$1,300.

(b) 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 at least three calendar quarters of the base period; and

(2) high quarter wage credits equal to at least 20 times the state minimum wage multiplied by 13; and

(3) combined wage credits in at least two of the remaining three calendar quarters equal to at least 20 times the state minimum wage multiplied by 13.

(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 the individual's benefit year shall be equal to 1/26 of the individual's high quarter wage credits, rounded to the next lower whole dollar.

(d) Notwithstanding paragraph (c), the maximum weekly benefit amount of claims for benefits which establish a benefit year subsequent to July 1, 1979 1988, shall be ~~66-2/3~~ 60 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) 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.

(e) Notwithstanding paragraph (c), the maximum weekly benefit amount of claims for benefits which establish a benefit year prior to July 1, 1989, shall be \$228.

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.

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.

(2) 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.

(3) 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 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.

(f) Any otherwise eligible individual shall be entitled during any benefit year to a total amount of benefits equal to one-third of the individual's total base period wage credits rounded to the next lower dollar not to exceed 26 times the individual's weekly benefit amount.

Sec. 14. Minnesota Statutes 1984, 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. 15. Minnesota Statutes 1984, 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 subdivision 2 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.

(5) No employer shall be charged for benefits if the employer is a base period employer on a second claim solely because of the transition from a base period consisting of the 52-week period preceding the claim date to a base period consisting of the first four of the last five completed calendar quarters preceding the claim date.

Sec. 16. Minnesota Statutes 1984, section 268.071, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] As used in this section, unless the context clearly requires otherwise:

(1) [EXTENDED BENEFIT PERIOD.] "Extended benefit period" means a period which

(a) Begins with the third week after a week for which there is a state "on" indicator; and

(b) Ends with either of the following weeks, whichever occurs later: The third week after the first week for which there is a state "off" indicator; or the 13th consecutive week of the period;

Provided, that no extended benefit period may begin before the 14th week following the end of a prior extended benefit period which was in effect with respect to this state.

(2) [STATE "ON" INDICATOR.] There is a "state 'on' indicator" for this state for a week if the commissioner determines, in accordance with the regulations of the United States secretary of labor, that for the period consisting of such week and the immediately preceding 12 weeks, the rate of insured unemployment (not seasonally adjusted) under this law

(a) equaled or exceeded 120 percent of the average of such rates for the corresponding 13 week period ending in each of the preceding two calendar years, and

(b) equaled or exceeded five percent.

The determination of whether there has been a state "on" indicator beginning any extended benefit period may be made as provided in clauses (a) and (b) above or a "state 'on' indicator" shall exist if the rate described in clause (b) equaled or exceeded six percent irrespective of whether the percentage requirement provided by clause (a) is met or exceeded.

(3) [STATE "OFF" INDICATOR.] There is a "state 'off' indicator" for this state for a week if, for the period consisting of such week and the immediately preceding 12 weeks, the rate of insured unemployment is less than six percent and the requirements for a "state 'on' indicator" under clause (2) of this subdivision are not satisfied.

(4) [RATE OF INSURED UNEMPLOYMENT.] "Rate of insured unemployment," for purposes of clauses (2) and (3), means the percentage derived by dividing the average weekly number of individuals filing claims for regular benefits in this state for weeks of unemployment with respect to the most recent 13 consecutive week period, as determined by the commissioner on the basis of his reports to the United States secretary of labor, by the average monthly employment covered under this law for the first four of the most recent six completed calendar quarters ending before the end of such 13

week period.

(5) [REGULAR BENEFITS.] "Regular benefits" means benefits payable to an individual under this law or under any other state law (including benefits payable to federal civilian employees and to ex-servicemen pursuant to 5 U.S.C. chapter 85) other than extended benefits and additional benefits.

(6) [EXTENDED BENEFITS.] "Extended benefits" means benefits (including benefits payable to federal civilian employees and to ex-servicemen pursuant to 5 U.S.C. chapter 85) payable to an individual under the provisions of this section for weeks of unemployment in his eligibility period.

(7) [ADDITIONAL BENEFITS.] "Additional benefits" means benefits payable to exhaustees by reason of conditions of high unemployment or by reason of other special factors under the provisions of any state law.

(8) [ELIGIBILITY PERIOD.] "Eligibility period" of an individual means the period consisting of the weeks in his benefit year which begin in an extended benefit period and, if his benefit year ends within such extended benefit period, any weeks thereafter which begin in such period.

(9) [EXHAUSTEE.] "Exhaustee" means an individual who, with respect to any week of unemployment in his eligibility period:

(a) Has received, prior to such week, all of the regular benefits that were available to him under this law or any other state law (including dependents' allowances and benefits payable to federal civilian employees and ex-servicemen under 5 U.S.C. chapter 85) in his current benefit year that includes such week;

Provided, that, for the purposes of this paragraph, an individual shall be deemed to have received all of the regular benefits that were available to him although as a result of a pending appeal with respect to wage credits ~~or credit weeks~~ that were not considered in the original monetary determination in his benefit year, he may subsequently be determined to be entitled to added regular benefits; or

(b) His benefit year having expired prior to such week, has no, or insufficient, wages and/or employment on the basis of which he could establish a new benefit year that would include such week or having established a benefit year that includes such week, he is precluded from receiving regular compensation by reason of: (i) a state law provision which meets the requirements of section 3304 (a) (7) of the Internal Revenue Code of 1954, or (ii) a disqualification determination which cancelled wage credits or totally reduced his benefit rights, or (iii) benefits are not payable by reason of a seasonal limitation in a state unemployment insurance law; and

(c) Has no right to unemployment benefits or allowances, as the case may be, under the railroad unemployment insurance act, the trade expansion act of 1962, the automotive products act of 1965 and such other federal laws as are specified in regulations issued by the United States secretary of labor; and has not received and is not seeking unemployment benefits under the unemployment compensation law of Canada; but if he is seeking such benefits and the appropriate agency finally determines that he is not entitled to benefits under such law he is considered an exhaustee.

(10) [STATE LAW.] "State law" means the unemployment insurance

law of any state, approved by the United States secretary of labor under section 3304 of the Internal Revenue Code of 1954.

Sec. 17. [268.073] [ADDITIONAL UNEMPLOYMENT COMPENSATION BENEFITS.]

A claimant who lives in an economic development region designated pursuant to section 462.385 where the insured unemployment rate is more than 1.75 times the statewide insured unemployment rate is eligible for additional regular unemployment benefits equal to four times the claimant's weekly benefit amount if the individual has exhausted all rights to regular benefits payable under section 268.07, is not entitled to receive extended benefits under section 268.071, and is not entitled to receive unemployment compensation benefits under any other state or federal law for the week in which the individual is claiming additional benefits under this section.

Sec. 18. Minnesota Statutes 1985 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;

(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.

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; and

(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. *Such payment*

shall be the lesser of (i) the minimum weekly benefit amount in effect at the time of payment under section 268.07, subdivision 2, paragraph (a) or (b), whichever is applicable, or (ii) the weekly benefit amount the individual is entitled to under sections 268.07 and 268.08.

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. 19. Minnesota Statutes 1984, section 268.09, subdivision 1, is amended to read:

Subdivision 1. [DISQUALIFYING CONDITIONS.] An individual separated from employment under clauses (1), (2), or (3) shall be disqualified for waiting week credit and benefits. For separations under clauses (1) and (2), the disqualification shall continue until ~~four~~ *eight* calendar weeks have elapsed following his separation and the individual has earned ~~four~~ *eight* times his weekly benefit amount in insured work.

(1) [VOLUNTARY LEAVE.] The individual voluntarily and without good cause attributable to the employer discontinued his employment with such employer. For the purpose of this clause, a separation from employment by reason of its temporary nature or for inability to pass a test or for inability to meet performance standards necessary for continuation of employment or based solely on a provision in a collective bargaining agreement by which an individual has vested discretionary authority in another to act in behalf of the individual shall not be deemed voluntary.

A separation shall be for good cause attributable to the employer if it occurs as a consequence of sexual harassment. Sexual harassment means unwelcome sexual advances, requests for sexual favors, sexually motivated physical contact or other conduct or communication of a sexual nature when: (1) the employee's submission to such conduct or communication is made a term or condition of the employment, (2) the employee's submission to or rejection of such conduct or communication is the basis for decisions affecting employment, or (3) such conduct or communication has the purpose or effect of substantially interfering with an individual's work performance or creating an intimidating, hostile, or offensive working environment and the employer knows or should know of the existence of the harassment and fails to take timely and appropriate action.

(2) [DISCHARGE FOR MISCONDUCT.] The individual was discharged for misconduct, not amounting to gross misconduct connected with his work or for misconduct which interferes with and adversely affects his employment.

An individual shall not be disqualified under clauses (1) and (2) of this subdivision under any of the following conditions:

(a) The individual voluntarily discontinued his employment to accept work offering substantially better conditions of work or substantially higher wages or both;

(b) The individual is separated from employment due to his own serious illness provided that such individual has made reasonable efforts to retain his employment;

An individual who is separated from his employment due to his illness of chemical dependency which has been professionally diagnosed or for which he has voluntarily submitted to treatment and who fails to make consistent efforts to maintain the treatment he knows or has been professionally advised is necessary to control that illness has not made reasonable efforts to retain his employment.

(c) The individual accepts work from a base period employer which involves a change in his location of work so that said work would not have been deemed to be suitable work under the provisions of subdivision 2 and within a period of 13 weeks from the commencement of said work voluntarily discontinues his employment due to reasons which would have caused the work to be unsuitable under the provision of said subdivision 2;

(d) The individual left employment because he had reached mandatory retirement age and was 65 years of age or older;

(e) The individual is terminated by his employer because he gave notice of intention to terminate employment within 30 days. This exception shall be effective only through the calendar week which includes the date of intended termination, provided that this exception shall not result in the payment of benefits for any week for which he receives his normal wage or salary which is equal to or greater than his weekly benefit amount;

(f) The individual is separated from employment due to the completion of an apprenticeship program, or segment thereof, approved pursuant to chapter 178;

(g) The individual voluntarily leaves part-time employment with a base period employer while continuing full-time employment if the individual attempted to return to part-time employment after being separated from the full-time employment, and if substantially the same part-time employment with the base period employer was not available for the individual.

(3) [DISCHARGE FOR GROSS MISCONDUCT.] The individual was discharged for gross misconduct connected with his work or gross misconduct which interferes with and adversely affects his employment. For a separation under this clause, the commissioner shall impose a total disqualification for the benefit year and cancel all of the wage credits from the last employer from whom he was discharged for gross misconduct connected with his work.

For the purpose of this clause "gross misconduct" is defined as misconduct involving assault and battery or the malicious destruction of property or arson or sabotage or embezzlement or any other act, including theft, the commission of which amounts to a felony or gross misdemeanor. For an employee of a health care facility, gross misconduct also includes misconduct involving an act of patient or resident abuse as defined in section 626.557, subdivision 2, clause (d).

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

(4) [LIMITED OR NO CHARGE OF BENEFITS.] Benefits paid subse-

quent to an individual's separation under any of the foregoing clauses, excepting clauses (2)(c) and (2)(e), shall not be used as a factor in determining the future contribution rate of the employer from whose employment such individual separated.

Benefits paid subsequent to an individual's failure, without good cause, to accept an offer of suitable re-employment shall not be used as a factor in determining the future contribution rate of the employer whose offer of re-employment he failed to accept or whose offer of re-employment was refused solely due to the distance of the available work from his residence, the individual's own serious illness or his other employment at the time of the offer.

(5) An individual who was employed by an employer shall not be disqualified for benefits under this subdivision for any acts or omissions occurring after his separation from employment with the employer.

(6) [DISCIPLINARY SUSPENSIONS.] An individual shall be disqualified for waiting week credit and benefits for the duration of any disciplinary suspension of 30 days or less resulting from his own misconduct. Disciplinary suspensions of more than 30 days shall constitute a discharge from employment.

Sec. 20. Minnesota Statutes 1984, section 268.09, subdivision 2, is amended to read:

Subd. 2. [FAILURE TO APPLY FOR OR ACCEPT SUITABLE WORK OR RE-EMPLOYMENT.] An individual shall be disqualified for waiting week credit and benefits during the week of occurrence and until ~~four~~ *eight* calendar weeks have elapsed following his refusal or failure and he has earned ~~four~~ *eight* times his weekly benefit amount in insured work if the commissioner finds that he has failed, without good cause, either to apply for available, suitable work of which he was advised by the employment office, or the commissioner or to accept suitable work when offered him, or to return to his customary self-employment (if any) when so directed by the commissioner, or to accept a base period employer's offer of re-employment offering substantially the same or better hourly wages and conditions of work as were previously provided by that employer in his base period.

(a) In determining whether or not any work is suitable for an individual, the commissioner shall consider the degree of risk involved to his health, safety, and morals, his physical fitness and prior training, his experience, his length of unemployment and prospects of securing local work in his customary occupation, the distance of the available work from his residence, *and how the offered work's wage compares with the wage the individual received during the high quarter of the individual's base period. With respect to the work's wage, the work shall be deemed suitable if it is otherwise suitable considering the above factors and the wage rate offered to the claimant is equal to 100 percent of the claimant's average weekly wage during the high quarter of the claimant's base period, if the work is offered during the first four weeks following a valid claim for benefits; equal to at least 85 percent of the claimant's average weekly wage during the high quarter of the claimant's base period, if the work is offered during weeks five through eight following a valid claim for benefits; equal to at least 75 percent of the claimant's average weekly wage during the high quarter of the claimant's base period, if the work is offered during weeks nine through 12 following a valid*

claim for benefits; or equal to at least 70 percent of the claimant's average weekly wage during the high quarter of the claimant's base period, if the work is offered after 12 weeks of benefits have been received.

(b) Notwithstanding any other provisions of sections 268.03 to 268.24, no work shall be deemed suitable, and benefits shall not be denied thereunder to any otherwise eligible individual for refusing to accept new work under any of the following conditions:

(1) if the position offered is vacant due directly to a strike, lockout, or other labor dispute;

(2) if the wages, hours, or other conditions of the work offered are substantially less favorable to the individual than those prevailing for similar work in the locality;

(3) if as a condition of being employed the individual would be required to join a union or to resign from or refrain from joining any bona fide labor organization;

(4) if the individual is in training with the approval of the commissioner.

Sec. 21. Minnesota Statutes 1984, section 268.10, subdivision 1, is amended to read:

Subdivision 1. [FILING.] (a) 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.

(+) (b) 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.

(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.

(c) 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 monetary entitlement or raise an issue of ineligibility or disqualification.

(d) 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 certification. This determination may be modified based upon corrected information subsequently received from the employer or other sources. The employer who failed to report the individual's wages or filed an erroneous report may 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) (e) The commissioner shall determine any issue of disqualification raised by clause (4) under paragraph (c) or by an employer's late report. If an employer fails to file a separation notice within the time limits prescribed in clause (4) paragraph (b), 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. 22. Minnesota Statutes 1984, 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) paragraph (c), 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. 23. Minnesota Statutes 1984, 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 16B.50, 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 economic security 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. 24. Minnesota Statutes 1984, 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 the total wages paid to the employee. The report is due and must be filed at the same time as the contribution report in accordance with rules established by the commissioner for filing of quarterly contribution reports. For the purpose of this section, "wages paid" includes wages actually or constructively paid and wages overdue and delayed beyond the usual time of payment.

Sec. 25. Minnesota Statutes 1984, section 268.16, subdivision 2, is amended to read:

Subd. 2. [REPORTS; DELINQUENCIES; PENALTIES.] (4) (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 for the contingent account a penalty of one-half 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.

(d) 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.

(e) 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 \$50 payable to the department for the contingent account.

(f) The penalties provided for in paragraphs (a), (c), (d), and (e) are 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. 26. Minnesota Statutes 1984, section 268.16, is amended by adding a subdivision to read:

Subd. 2a. [COSTS.] Any employing unit which fails to make and submit reports or pay any contributions or reimbursement when due is liable to the department any recording fees, sheriff fees, or litigation costs incurred in

obtaining the reports or collecting the amounts due.

If any check or money order, in payment of any amount due under sections 268.03 to 268.24, is not honored when presented for payment, the employing unit will be assessed a fee of \$20 which shall be in addition to any other fees required under sections 268.03 to 268.24. The fee shall be assessed regardless of the amount of the check or money order or the reason for nonpayment with the exception of processing errors made by a financial institution.

Costs due under this subdivision shall be paid to the department and credited to the administration fund.

Sec. 27. [REVISOR'S INSTRUCTION.]

The revisor of statutes shall change all references in chapter 268 to the "department of economic security" to the "department of jobs and training."

Sec. 28. [268.85] [APPROPRIATION.]

\$20,000,000 is appropriated from the general fund to the commissioner of jobs and training for transfer to the unemployment compensation fund established under section 268.05 for the purpose of paying unemployment benefits due during the period from November 10, 1986, through January 1, 1987, to the extent there are insufficient funds in the unemployment compensation fund for the payment of benefits. The commissioner may transfer to the unemployment compensation fund and spend only such amounts from this appropriation as are necessary to pay all unemployment benefits due during the period from November 10, 1986, through January 1, 1987, without requiring an advance from the secretary of the treasury of the United States under section 1201 of the Social Security Act, as amended. Amounts transferred from this appropriation are a loan and are repayable to the general fund immediately after January 1, 1987, from contributions obtained by the commissioner under section 268.06. The amounts necessary to make the repayment are appropriated from the unemployment compensation fund for transfer to the general fund. These appropriations are available until June 30, 1987.

Sec. 29. [REPEALER.]

Minnesota Statutes 1984, section 268.04, subdivisions 8, 29, and 30, are repealed.

Sec. 30. [EFFECTIVE DATE.]

Sections 1, 6, 7, 23, 24, 25, 26, 27, and 28 are effective the day following final enactment. Sections 18, 19, and 20 are effective July 1, 1986. Sections 2, 3, 4, 5, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 21, 22, and 29 are effective January 1, 1987."

Delete the title and insert:

"A bill for an act relating to unemployment compensation; regulating benefits and contribution rates; appropriating money; amending Minnesota Statutes 1984, sections 268.04, subdivisions 2, 4, 24, 25, and by adding subdivisions; 268.06, subdivisions 2, 3a, 8, and by adding a subdivision; 268.07, subdivisions 2, 2a, and 3; 268.071, subdivision 1; 268.09, subdivisions 1 and 2; 268.10, subdivisions 1 and 2; 268.12, subdivision 8; 268.121;

268.16, subdivision 2, and by adding a subdivision; Minnesota Statutes 1985 Supplement, sections 268.0111, by adding a subdivision; 268.08, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 268; repealing Minnesota Statutes 1984, section 268.04, subdivisions 8, 29, and 30."

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 10 and nays 51, as follows:

Those who voted in the affirmative were:

Chmielewski	Dieterich	Novak	Peterson, R. W.	Stumpf
Davis	Moe, R. D.	Pehler	Petty	Willet

Those who voted in the negative were:

Adkins	Frederick	Kroening	Olson	Solon
Anderson	Frederickson	Kronebusch	Peterson, C. C.	Spear
Belanger	Freeman	Laidig	Peterson, D. C.	Storm
Benson	Gustafson	Langseth	Peterson, D. L.	Taylor
Berghin	Isackson	Lantry	Pogemiller	Vega
Bernhagen	Johnson, D. E.	Lessard	Purfeerst	Waldorf
Bertram	Johnson, D. J.	Luther	Ramstad	Wegscheid
Dahl	Jude	McQuaid	Reichgott	
Dicklich	Kamrath	Mehrkens	Renneke	
Diessner	Knaak	Merriam	Schmitz	
Frank	Knutson	Moe, D. M.	Sietloff	

The motion did not prevail. So the amendment was not adopted.

Mr. Frank moved to amend H.F. No. 1847 as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1984, 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 *or alternative credit weeks* during his base period sufficient to entitle him to benefits under section 268.07, subdivision 2.

Sec. 2. Minnesota Statutes 1984, 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~~ *the* 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 (4) \$11,200 in 1987, \$11,700 in 1988, \$12,200 in 1989, \$12,700 in 1990, \$13,300 in 1991, or, for each year thereafter, 60 percent of the average annual wage rounded to the~~

nearest \$100 computed in accordance with the provisions of clause (f); except that, for each employer that has an experience ratio of less than one-tenth of one percent, that part of the remuneration which exceeds \$8,900 in 1987, \$10,000 in 1988, \$11,100 in 1989, \$12,200 in 1990, \$13,300 in 1991, or, for each year thereafter, 60 percent of the average annual wage rounded to the nearest \$100 computed in accordance with the provisions of clause (f), 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 (3) 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. 3. Minnesota Statutes 1984, section 268.04, is amended by adding a subdivision to read:

Subd. 29a. [ALTERNATIVE CREDIT WEEK.] "Alternative credit week" means any week for which wages or back pay, actually or constructively paid, wages overdue and delayed beyond the usual time of payment, and back pay by or from one or more employers to an employee for insured work equal or exceed 20 times the state minimum wage in effect on the date the employee makes a claim for benefits.

Sec. 4. Minnesota Statutes 1984, 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. 5. Minnesota Statutes 1984, section 268.06, subdivision 3a, is amended to read:

Subd. 3a. [RATE FOR NEW EMPLOYERS.] (a) 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 $2\frac{7}{10}$ 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 $7\frac{1}{2}$ percent, 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 $5\frac{4}{10}$ 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 of 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 of 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.

(b) Each construction employer described above under paragraph (a) who becomes subject to this chapter shall pay contributions at a rate, not exceeding $7\frac{1}{2}$ percent the maximum contribution rate for all employers as provided under 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 of 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 of 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. 6. Minnesota Statutes 1984, section 268.06, subdivision 5, is amended to read:

Subd. 5. [BENEFITS CHARGED AS AND WHEN PAID.] Benefits paid to an individual pursuant to a valid claim shall be charged against the account of his employer as and when paid, except that benefits paid to an individual who earned base period wages for part-time employment shall not be charged to an employer that is liable for payments in lieu of contributions or to the experience rating account of an employer if the employer: (1) provided weekly base period part-time employment; (2) continues to provide weekly employment equal to at least 90 percent of the part-time employment provided in the base period; and (3) is an interested party because of the individual's loss of other employment. The amount of benefits so chargeable against each base period employer's account shall bear the same ratio to the total benefits paid to an individual as the base period wage credits of the individual earned from such employer bear to the total amount of base period wage credits of the individual earned from all his base period employers.

In making computations under this provision, the amount of wage credits if not a multiple of \$1, shall be computed to the nearest multiple of \$1.

Benefits shall not be charged to an employer that is liable for payments in lieu of contributions or to the experience rating account of an employer for unemployment (1) that is directly caused by a major natural disaster declared by the president pursuant to section 102(2) of the Disaster Relief Act of 1974 (42 United States Code 5122(2)), if the unemployed individual would have been eligible for disaster unemployment assistance with respect to that unemployment but for the individual's receipt of unemployment insurance benefits, or (2) *that is directly caused by a fire, flood, or act of God where 70 percent or more of the employees employed in the affected location become unemployed as a result and the employer substantially reopens its operations in that same area within 360 days of the fire, flood, or act of God. Benefits shall be charged to the employer's account where the unemployment is caused by the willful act of the employer or a person acting on behalf of the employer.*

Sec. 7. Minnesota Statutes 1984, 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 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.

(b) The minimum rate for all employers that have benefits charged to their account at any time during the period described in subdivision 6 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) ~~The maximum rate for for all employers shall be eight percent for calendar year 1987 and eight and one-half percent for calendar year 1988 and thereafter.~~

(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, 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. 8. Minnesota Statutes 1984, 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, *or failing that, 20 or more alternative 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. 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).

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) 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) 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) 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) The maximum weekly benefit amount for claims for benefits which establish a benefit year subsequent to June 30, ~~1982~~ 1986, and prior to July 1, 1983 1989, shall be \$184 \$228. *The minimum weekly benefit amount for claims for benefits which establish a benefit year subsequent to June 30, 1986, shall be \$45.*

~~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.~~

~~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.~~

(2) 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 *or alternative credit weeks* earned by such an individual computed to the nearest whole week times his weekly benefit amount.

(3) 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 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. 9. Minnesota Statutes 1984, 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 *or alternative credit weeks* in seasonal employment, benefits shall be payable only if the commissioner finds that the individual has earned *at least 15 credit weeks or, if applicable, at least 20 alternative credit weeks*, in employment which is not seasonal, in addition to any credit weeks *or alternative credit weeks* 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. 10. Minnesota Statutes 1984, section 268.071, subdivision 1, is

amended to read:

Subdivision 1. [DEFINITIONS.] As used in this section, unless the context clearly requires otherwise:

(1) [EXTENDED BENEFIT PERIOD.] "Extended benefit period" means a period which

(a) Begins with the third week after a week for which there is a state "on" indicator; and

(b) Ends with either of the following weeks, whichever occurs later: The third week after the first week for which there is a state "off" indicator; or the 13th consecutive week of the period;

Provided, that no extended benefit period may begin before the 14th week following the end of a prior extended benefit period which was in effect with respect to this state.

(2) [STATE "ON" INDICATOR.] There is a "state 'on' indicator" for this state for a week if the commissioner determines, in accordance with the regulations of the United States secretary of labor, that for the period consisting of such week and the immediately preceding 12 weeks, the rate of insured unemployment (not seasonally adjusted) under this law

(a) equaled or exceeded 120 percent of the average of such rates for the corresponding 13 week period ending in each of the preceding two calendar years, and

(b) equaled or exceeded five percent.

The determination of whether there has been a state "on" indicator beginning any extended benefit period may be made as provided in clauses (a) and (b) above or a "state 'on' indicator" shall exist if the rate described in clause (b) equaled or exceeded six percent irrespective of whether the percentage requirement provided by clause (a) is met or exceeded.

(3) [STATE "OFF" INDICATOR.] There is a "state 'off' indicator" for this state for a week if, for the period consisting of such week and the immediately preceding 12 weeks, the rate of insured unemployment is less than six percent and the requirements for a "state 'on' indicator" under clause (2) of this subdivision are not satisfied.

(4) [RATE OF INSURED UNEMPLOYMENT.] "Rate of insured unemployment," for purposes of clauses (2) and (3), means the percentage derived by dividing the average weekly number of individuals filing claims for regular benefits in this state for weeks of unemployment with respect to the most recent 13 consecutive week period, as determined by the commissioner on the basis of his reports to the United States secretary of labor, by the average monthly employment covered under this law for the first four of the most recent six completed calendar quarters ending before the end of such 13 week period.

(5) [REGULAR BENEFITS.] "Regular benefits" means benefits payable to an individual under this law or under any other state law (including benefits payable to federal civilian employees and to ex-servicemen pursuant to 5 U.S.C. chapter 85) other than extended benefits and additional benefits.

(6) [EXTENDED BENEFITS.] "Extended benefits" means benefits

(including benefits payable to federal civilian employees and to ex-service-men pursuant to 5 U.S.C. chapter 85) payable to an individual under the provisions of this section for weeks of unemployment in his eligibility period.

(7) [ADDITIONAL BENEFITS.] "Additional benefits" means benefits payable to exhaustees by reason of conditions of high unemployment or by reason of other special factors under the provisions of any state law.

(8) [ELIGIBILITY PERIOD.] "Eligibility period" of an individual means the period consisting of the weeks in his benefit year which begin in an extended benefit period and, if his benefit year ends within such extended benefit period, any weeks thereafter which begin in such period.

(9) [EXHAUSTEE.] "Exhaustee" means an individual who, with respect to any week of unemployment in his eligibility period:

(a) Has received, prior to such week, all of the regular benefits that were available to him under this law or any other state law (including dependents' allowances and benefits payable to federal civilian employees and ex-servicemen under 5 U.S.C. chapter 85) in his current benefit year that includes such week;

Provided, that, for the purposes of this paragraph, an individual shall be deemed to have received all of the regular benefits that were available to him although as a result of a pending appeal with respect to wage credits ~~or~~ credit weeks, *or alternative credit weeks* that were not considered in the original monetary determination in his benefit year, he may subsequently be determined to be entitled to added regular benefits; or

(b) His benefit year having expired prior to such week, has no, or insufficient, wages and/or employment on the basis of which he could establish a new benefit year that would include such week or having established a benefit year that includes such week, he is precluded from receiving regular compensation by reason of: (i) a state law provision which meets the requirements of section 3304 (a) (7) of the Internal Revenue Code of 1954, or (ii) a disqualification determination which cancelled wage credits or totally reduced his benefit rights, or (iii) benefits are not payable by reason of a seasonal limitation in a state unemployment insurance law; and

(c) Has no right to unemployment benefits or allowances, as the case may be, under the railroad unemployment insurance act, the trade expansion act of 1962, the automotive products act of 1965 and such other federal laws as are specified in regulations issued by the United States secretary of labor; and has not received and is not seeking unemployment benefits under the unemployment compensation law of Canada; but if he is seeking such benefits and the appropriate agency finally determines that he is not entitled to benefits under such law he is considered an exhaustee.

(10) [STATE LAW.] "State law" means the unemployment insurance law of any state, approved by the United States secretary of labor under section 3304 of the Internal Revenue Code of 1954.

Sec. 11: Minnesota Statutes 1984, 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;

(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 or *alternative credit weeks* earned in the base period were for services performed during weeks in which the student was attending school as a full-time student.

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

(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. 12. Minnesota Statutes 1984, section 268.09, is amended by adding a subdivision to read:

Subd. 2a. An individual who has qualified for benefits under the alternative credit week requirement, as provided under section 268.07, subdivision 2; and who 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 in insured work.

Sec. 13. Minnesota Statutes 1984, 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 *or alternative 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 *or alternative 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.

(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. In the absence of fraud, if a redetermination of validity of claim based on an employer's late 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) 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. 14. Minnesota Statutes 1984, 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 *or alternative credit weeks* from all employers in insured work by the number of base period credit weeks *or alternative credit weeks*. If within the time specified for the filing of wage and separation information 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. 15. [268.86] [LOAN.]

Up to \$20,000,000 is appropriated and authorized as a loan from the general fund to the commissioner of jobs and training for transfer to the unemployment compensation fund established under section 268.05 for the purpose of paying unemployment benefits due during the period from November 10, 1986, through January 1, 1987, to the extent there are insufficient funds in the unemployment compensation fund for the payment of benefits. The commissioner may transfer to the unemployment compensation fund and spend only amounts from this loan as are necessary to pay all unemployment benefits due during the period from November 10, 1986, through January 1, 1987, without requiring an advance from the secretary of the treasury of the United States under section 1201 of the Social Security Act, as amended. Amounts transferred from this loan are repayable to the general fund immediately after January 1, 1987, from contributions obtained by the commissioner pursuant to section 268.06. The amounts necessary to make the repayment are appropriated from the unemployment compensation fund for transfer to the general fund. These appropriations are available

until June 30, 1987.

Sec. 16. [CITY OF LITCHFIELD; TAX INCREMENT FINANCING.]

Notwithstanding any other provision of law, the city council of the city of Litchfield may require the Meeker county auditor to reduce the original assessed value of a tax increment financing district in the city. The reduction shall be in an amount equal to the difference between the assessed value at the time of the certification of the district of a parcel, improvements to which were substantially destroyed by a fire occurring within 30 days after the January 2, 1986, assessment date, and the value of that parcel after the destruction of the improvements. In no case may the reduction result in an original assessed value for the district that is less than the assessed value of the district determined immediately after the date of the fire.

Sec. 17. [EFFECTIVE DATE.]

Section 6 is effective January 1, 1986. Sections 15 and 16 are effective the day following final enactment. Sections 1, 3, 8, 9, 10, 11, 12, 13, and 14 are effective July 1, 1986. Sections 2, 4, 5, and 7 are effective January 1, 1987."

Delete the title and insert:

"A bill for an act relating to unemployment compensation; regulating benefits and contribution rates; providing for tax increment financing for the city of Litchfield; appropriating money; amending Minnesota Statutes 1984, sections 268.04, subdivisions 24, 25, and by adding a subdivision; 268.06, subdivisions 2, 3a, 5, and 8; 268.07, subdivisions 2 and 2a; 268.071, subdivision 1; 268.08, subdivision 1; 268.09, by adding a subdivision; 268.10, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapter 268."

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 41 and nays 24, as follows:

Those who voted in the affirmative were:

Adkins	Dieterich	Luther	Peterson, R.W.	Stumpf
Berglin	Frank	Merriam	Petty	Vega
Bertram	Freeman	Moe, D.M.	Pogemiller	Waldorf
Chmielewski	Johnson, D.J.	Moe, R.D.	Purfeerst	Wegscheid
Dahl	Jude	Nelson	Reichgott	Willet
Davis	Kroening	Novak	Samuelson	
DeCramer	Langseth	Pehler	Schmitz	
Dicklich	Lantry	Peterson, C.C.	Solon	
Dieffen	Lessard	Peterson, D.C.	Spear	

Those who voted in the negative were:

Anderson	Frederick	Kamrath	McQuaid	Renneke
Belanger	Frederickson	Knaak	Mehrkens	Sieloff
Benson	Gustafson	Knutson	Olson	Storm
Berg	Isackson	Kronebusch	Peterson, D.L.	Taylor
Bernhagen	Johnson, D.E.	Laidig	Ramstad	

The motion prevailed. So the amendment was adopted.

Mr. Lessard moved to amend the Frank amendment to H.F. No. 1847 as follows:

Page 14, after line 19, insert:

"Sec. 11. [268.073] [ADDITIONAL UNEMPLOYMENT COMPENSATION BENEFITS.]

Subdivision 1. Additional unemployment compensation benefits are authorized under this section only if the commissioner determines that:

(1) an employer has reduced operations at an establishment resulting in the reduction of at least 50 percent of the employer's work force and the lay-off of at least 50 employees at that establishment;

(2) the employer does not intend to resume operations which would lead to the reemployment of those employees at any time in the future; and

(3) the unemployment rate for the county in which the establishment is located was ten percent during the month of the reduction or any of the three months preceding or succeeding the reduction.

Subd. 2. [PAYMENT OF BENEFITS.] All benefits payable under this section are payable from the fund.

Subd. 3. [ELIGIBILITY CONDITIONS.] An individual is eligible to receive additional benefits under this section for any week during the individual's benefit year if the commissioner finds that:

(1) the individual's unemployment is the result of a reduction in operations as provided under subdivision 1;

(2) the individual is unemployed and meets the eligibility requirements for the receipt of unemployment benefits under section 268.08;

(3) the individual is not subject to a disqualification for benefits under section 268.09; for the purpose of this subdivision, the disqualifying conditions set forth in section 268.09, and the requalifying requirements thereunder, apply to the receipt of additional benefits under this section;

(4) the individual has exhausted all rights to regular benefits payable under section 268.07, is not entitled to receive extended benefits under section 268.071, and is not entitled to receive unemployment compensation benefits under any other state or federal law for the week in which the individual is claiming additional benefits;

(5) the individual has made a claim for additional benefits with respect to any week the individual is claiming benefits in accordance with the regulations as the commissioner may prescribe with respect to claims for regular benefits; and

(6) the individual has worked at least 26 weeks during the individual's base period in employment with an employer for whom the commissioner has determined there was a reduction in operations under subdivision 1.

Subd. 4. [WEEKLY BENEFIT AMOUNT.] A claimant's weekly benefit amount under this section shall be the same as the individual's weekly benefit amount payable during the individual's current benefit year under section 268.08.

Subd. 5. [MAXIMUM BENEFITS PAYABLE.] A claimant's maximum amount of additional benefits payable in the individual's benefit year shall be

six times the individual's weekly benefit amount. Unemployment compensation benefits paid to an individual under any state or federal law other than regular benefits payable under section 268.07 shall be deducted from that individual's maximum amount of additional benefits.

Subd. 6. The additional benefits provided under this section shall be payable to any claimant who meets the eligibility conditions under subdivision 3 whose unemployment occurred on July 1, 1984, or thereafter, provided the claimant has filed a claim for additional benefits which is effective January 1, 1986, or thereafter."

Page 15, after line 28, insert:

"Sec. 13. Minnesota Statutes 1984, section 268.08, subdivision 3, is amended to read:

Subd. 3. [NOT ELIGIBLE.] An individual shall not be eligible to receive benefits for any week with respect to which he is receiving, has received, or has filed a claim for remuneration in an amount equal to or in excess of his weekly benefit amount in the form of

(1) termination, severance, or dismissal payment or wages in lieu of notice whether legally required or not; provided that if a termination, severance, or dismissal payment is made in a lump sum, the employer may allocate such lump sum payment over a period equal to the lump sum divided by the employee's regular pay while employed by such employer; provided any such payment shall be applied for a period immediately following the last day of work but not to exceed 28 calendar days; or

(2) vacation allowance paid directly by the employer for a period of requested vacation, including vacation periods assigned by the employer under the provisions of a collective bargaining agreement, or uniform vacation shutdown; or

(3) compensation for loss of wages under the workers' compensation law of this state or any other state or under a similar law of the United States, or under other insurance or fund established and paid for by the employer except that this does not apply to an individual who is receiving temporary partial compensation pursuant to section 176.101, subdivision 3k; or

(4) 50 percent of the pension payments from any fund, annuity or insurance maintained or contributed to by a base period employer including the armed forces of the United States if the employee contributed to the fund, annuity or insurance and all of the pension payments if the employee did not contribute to the fund, annuity or insurance; or

(5) 50 percent of a primary insurance benefit under title II of the Social Security Act as amended, or similar old age benefits under any act of congress or this state or any other state.

Provided, that if such remuneration is less than the benefits which would otherwise be due under sections 268.03 to 268.24, he shall be entitled to receive for such week, if otherwise eligible, benefits reduced by the amount of such remuneration; provided, further, that if the appropriate agency of such other state or the federal government finally determines that he is not entitled to such benefits, this provision shall not apply. If the computation of reduced benefits, required by this subdivision, is not a whole dollar amount, it shall be rounded down to the next lower dollar amount.

If an individual's benefit is reduced because of the receipt of a pension from the employer that the individual left due to the reasons described in clause (b), the individual's benefit year shall be extended by the number of weeks necessary for the individual to receive the benefit which would have been paid in the benefit year except for that reduction if the following conditions are satisfied:

(a) the individual is ineligible for benefits solely due to the lapse of the benefit year;

(b) the individual is unemployed due to the closing of a place of employment or is otherwise permanently laid off and not due to a voluntary decision of the individual to retire; and

(c) the individual had not attained mandatory retirement age at the time the individual became unemployed."

Page 21, line 24, delete "15 and 16" and insert "11, 13, 17, and 18"

Page 21, line 26, delete "11, 12, 13, and 14" and insert "12, 14, 15, and 16"

Renumber the sections of the Frank amendment in sequence

Amend the title amendment accordingly

CALL OF THE SENATE

Mr. Lessard imposed a call of the Senate for the proceedings on his amendment. The Sergeant at Arms was instructed to bring in the absent members.

The question recurred on the adoption of the amendment to the amendment.

Mr. Wegscheid moved that those not voting be excused from voting. The motion prevailed.

The roll was called, and there were yeas 39 and nays 24, as follows:

Those who voted in the affirmative were:

Anderson	DeCramer	Jude	McQuaid	Schmitz
Belanger	Dicklich	Kamrath	Mehrkens	Sietoff
Benson	Frederick	Knaak	Olson	Solon
Berg	Frederickson	Knutson	Peterson, D.L.	Storm
Bernhagen	Gustafson	Kronebusch	Purfeerst	Stumpf
Bertram	Isackson	Laidig	Ramstad	Taylor
Chmielewski	Johnson, D.E.	Langseth	Renneke	Wegscheid
Davis	Johnson, D.J.	Lessard	Samuelson	

Those who voted in the negative were:

Adkins	Freeman	Moe, D.M.	Peterson, D.C.	Spear
Berglin	Kroening	Moe, R.D.	Peterson, R.W.	Vega
Dahl	Lantry	Nelson	Petty	Waldorf
Dieterich	Luther	Pehler	Pogemiller	Willet
Frank	Merriam	Peterson, C.C.	Reichgott	

The motion prevailed. So the amendment to the amendment was adopted.

H.F. No. 1847 was read the third time, as amended, and placed on its final

passage.

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

The roll was called, and there were yeas 42 and nays 23, as follows:

Those who voted in the affirmative were:

Adkins	Diessner	Lessard	Peterson, D.C.	Spear
Berg	Dieterich	Luther	Peterson, R.W.	Stumpf
Berglin	Frank	Merriam	Petty	Vega
Bertram	Freeman	Moe, D.M.	Pogemiller	Waldorf
Chmielewski	Johnson, D.J.	Moe, R.D.	Purfeerst	Wegscheid
Dahl	Jude	Nelson	Reichgott	Willet
Davis	Kroening	Novak	Samuelson	
DeCramer	Langseth	Pehler	Schmitz	
Dicklich	Lantry	Peterson, C.C.	Solon	

Those who voted in the negative were:

Anderson	Frederickson	Knaak	Mehrkens	Sietoff
Belanger	Gustafson	Knutson	Olson	Storn
Benson	Isackson	Kronebusch	Peterson, D.L.	Taylor
Bernhagen	Johnson, D.E.	Laidig	Ramstad	
Frederick	Kamrath	McQuaid	Renneke	

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

MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, the Senate reverted to the Orders of Business of Messages From the House and First Reading of House Bills.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 628, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 628 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 15, 1986

CONFERENCE COMMITTEE REPORT ON H.F. NO. 628

A bill for an act relating to game and fish; enhancement of fish and wildlife; planning and implementation of wildlife management; conservation of marginal agricultural lands; habitat management; aspen recycling program; appropriating money; amending Minnesota Statutes 1984, sections 97.49, subdivision 3; 97.55, by adding a subdivision; 98.52, by adding a subdivision; 290.431; and 296.421, subdivisions 4 and 5; Laws 1985, chapter 4, section 10; proposing coding for new law in Minnesota Statutes, chapters 40, 84, and 88.

March 13, 1986

The Honorable David M. Jennings

Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H.F. No. 628, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H.F. No. 628 be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. [40.40] [SHORT TITLE.]

Sections 2 to 15 may be cited as the “reinvest in Minnesota resources act of 1986.”

Sec. 2. [40.401] [PURPOSE AND POLICY.]

It is the purposes of sections 2 to 6 to keep certain marginal agricultural land out of crop production or pasture to protect soil and water quality and support fish and wildlife habitat. It is state policy to encourage the retirement of marginal, highly erodible land, particularly land adjacent to public waters and drainage systems, from crop production and to reestablish a cover of perennial vegetation.

Sec. 3. [40.41] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] The definitions in this section apply to sections 3 to 6.

Subd. 2. [COMMISSIONER.] “Commissioner” means the commissioner of agriculture.

Subd. 3. [CONSERVATION EASEMENT.] “Conservation easement” means a conservation easement as defined in section 84C.01.

Subd. 4. [CONSERVATION RESERVE PROGRAM.] “Conservation reserve program” means the program established under section 4.

Subd. 5. [LANDOWNER.] “Landowner” means a Minnesota resident who owns or is a buyer under a contract for deed, of land that qualifies as a family farm, a family farm corporation or an authorized farm corporation under section 500.24, subdivision 2.

Subd. 6. [MARGINAL AGRICULTURAL LAND.] “Marginal agricultural land” means land that is: (1) composed of class IIIe, IVe, V, VI, VII, or VIII land as identified in the land capability classification system of the United States Department of Agriculture; or (2) similar to land described under (1) and identified under a land classification system selected by the commissioner.

Sec. 4. [40.42] [CONSERVATION RESERVE PROGRAM.]

Subdivision 1. [ESTABLISHMENT OF PROGRAM.] The commissioner of agriculture, in consultation with the commissioner of natural resources, shall establish and administer a conservation reserve program. Selection of land for the conservation reserve program must be based on its potential for fish and wildlife production, reducing erosion, and protecting water quality.

Subd. 2. [ELIGIBLE LAND.] Land may be placed in the conservation reserve program if the land:

(1) is marginal agricultural land, or adjacent to marginal agricultural land and beneficial to resource protection or necessary for efficient recording of the land description;

(2) was owned by the applicant on January 1, 1985, or for an application made on or after January 1, 1988, was owned by the applicant for at least three years before the date of application;

(3) is at least five acres in size, or is a whole field as defined by the United States agricultural stabilization and conservation service;

(4) is not set aside, enrolled or diverted under another federal or state government program; and

(5) was in agricultural crop production or pasture for at least two years during the period 1981 to 1985.

The eligible land of a landowner may not exceed 20 percent of the landowner's total acreage in the state.

Subd. 3. [CONSERVATION EASEMENTS.] The commissioner may acquire conservation easements on eligible land. An easement may be permanent or of limited duration. An easement of limited duration may not be acquired if it is for a period less than ten years. The negotiation and acquisition of easements authorized by this section are exempt from the contractual provisions of chapter 16B.

Subd. 4. [NATURE OF PROPERTY RIGHTS ACQUIRED.] (a) A conservation easement must prohibit:

(1) alteration of wildlife habitat and other natural features, unless specifically approved by the commissioner;

(2) agricultural crop production, unless specifically approved by the commissioner for wildlife management purposes;

(3) grazing of livestock unless approved by the commissioner after consultation with the commissioner of natural resources, in the case of severe drought, or a local emergency declared under section 12.29; and

(4) spraying with chemicals or mowing, except as necessary to comply with noxious weed control laws or emergency control of pests necessary to protect public health.

(b) A conservation easement is subject to the terms of the agreement provided in subdivision 5.

(c) A conservation easement must allow repairs, improvements, and inspections necessary to maintain public drainage systems provided the easement area is restored to the condition required by the terms of the conservation easement.

Subd. 5. [AGREEMENTS BY LANDOWNER.] The commissioner may enroll eligible land in the conservation reserve program by signing an agreement in recordable form with a landowner in which the landowner agrees:

(1) to convey to the state a conservation easement that is not subject to any prior title, lien, or encumbrance;

(2) to seed the land subject to the conservation easement, as specified in the agreement, to establish and maintain perennial cover of either a grass-legume mixture or native grasses for the term of the easement, at seeding rates determined by the commissioner; or to plant trees or carry out other long-term capital improvements approved by the commissioner for soil and water conservation or wildlife management;

(3) that other land supporting natural vegetation owned or leased as part of the same farm operation during the term of the easement, if it supports natural vegetation or has not been used in agricultural crop production or pasture, will not be converted to agricultural crop production or pasture; and

(4) to the enforcement of the agreements in this subdivision by an action for specific performance, a mandatory injunction, or for damages in an amount not to exceed the total amount paid by the state to the landowner under subdivision 6, with interest from the date of each default under the agreement.

Subd. 6. [PAYMENTS FOR CONSERVATION EASEMENTS AND ESTABLISHMENT OF COVER.] The commissioner must make the following payments to the landowner for the conservation easement and agreement:

(1) to establish the perennial cover or other improvements required by the agreement, up to \$75 per acre;

(2) for the cost of planting trees required by the agreement, up to \$75 per acre;

(3) for a permanent easement, 70 percent of the township average equalized estimated market value of agricultural property as established by the commissioner of revenue at the time the easement is conveyed; and

(4) for an easement of limited duration, 90 percent of the present value of the average of the acceptable bids for the federal conservation reserve program, as contained in Public Law Number 99-198, in the relevant geographic area and on bids made immediately prior to when the easement is conveyed. If federal bid figures have not been determined for the area, or the federal program has been discontinued, the rate paid shall be determined by the commissioner.

The commissioner may not pay more than \$50,000 to a landowner for all the landowner's conservation easements and agreements.

Subd. 7. [EASEMENT RENEWAL.] When a conservation easement of limited duration expires, a new conservation easement and agreement for an additional period of ten years may be acquired by agreement of the commissioner and the landowner, under the terms of this section. The commissioner may adjust payment rates as a result of renewing an agreement and conservation easement only after examining the condition of the established cover, conservation practices, and land values.

Sec. 5. [40.43] [COOPERATION AND TECHNICAL ASSISTANCE;

SUPPLEMENTAL CONSERVATION PAYMENT.]

Subdivision 1. [COOPERATION.] In implementing sections 2 to 5 the commissioner must share information and cooperate with the department of natural resources, the pollution control agency, the United States Fish and Wildlife Service, the Agricultural Stabilization and Conservation Service and Soil Conservation Service of the United States Department of Agriculture, the Minnesota extension service, the University of Minnesota, county boards, and interested private organizations and individuals.

Subd. 2. [TECHNICAL ASSISTANCE.] The commissioners of agriculture and natural resources must provide necessary technical assistance to landowners enrolled in the conservation reserve program. The commissioner of natural resources must provide technical advice and assistance to the commissioner on the form and content of the conservation easement and agreement, and on agronomic practices relating to the establishment and maintenance of permanent cover, or other conservation improvements. The commissioners of agriculture and natural resources shall jointly prepare an informational booklet on the conservation reserve program and other state and federal programs for land acquisition, conservation, and retirement to be made available to eligible landowners and the general public.

Subd. 3. [SUPPLEMENTAL CONSERVATION PAYMENTS.] The commissioner may supplement cost-share payments made under other programs, up to \$75 an acre, to the extent of available appropriations other than bond proceeds. The supplemental cost-share payments must be used to establish perennial cover on land enrolled in programs approved by the commissioner, including the federal conservation reserve program and federal and state waterbank programs.

Sec. 6. [40.44] [RULEMAKING.]

The commissioner shall adopt rules and is authorized to adopt emergency rules in order to implement sections 2 to 6. The rules must include standards for tree planting so that planting does not conflict with existing electrical lines, telephone lines, rights-of-way, or drainage ditches.

Sec. 7. [84.941] [POLICY.]

It is the policy of the state that fish and wildlife are renewable natural resources to be conserved and enhanced through planned scientific management, protection, and utilization.

Sec. 8. [84.942] [FISH AND WILDLIFE RESOURCES MANAGEMENT PLAN.]

Subdivision 1. [PREPARATION.] The commissioner of natural resources shall prepare a comprehensive fish and wildlife management plan designed to accomplish the policy of section 7. The comprehensive fish and wildlife management plan shall include a strategic plan as outlined in subdivision 2. The strategic plan must be completed by July 1, 1986. The management plan must also include the long-range and operational plans as described in subdivisions 3 and 4. The management plan must be completed by July 1, 1988.

Subd. 2. [STRATEGIC PLAN.] The strategic plan must be updated every six years and include:

(1) an issues analysis describing major fish and wildlife management

problems;

(2) a description of strategies to address management problems; and

(3) an assessment of the need for additional fish and wildlife research facilities.

Subd. 3. [LONG RANGE PLAN.] The long-range plan must be updated every six years and include:

(1) an assessment of historical, present, and projected demand for fish and wildlife resources;

(2) an assessment of the capability of fish and wildlife resources to meet present and future demand;

(3) development of a data base capable of continuous updating and useable as a resource management tool; and

(4) a statement of major goals, objectives, and policies to address fish and wildlife resource management issues.

Subd. 4. [OPERATIONAL PLAN.] The operational plan must be reviewed and updated every two years. The operational plan must include the following:

(1) a description of specific actions needed to address resource management issues;

(2) an estimate of the expenditures necessary to implement the management actions and a description of the sources and amounts of revenue available;

(3) a procedure to review expenditures and evaluate the effectiveness of the management program; and

(4) recommendations for additional actions necessary to meet fish and wildlife management needs.

Subd. 5. [PUBLIC AGENCY COORDINATION.] The commissioner of natural resources must coordinate fish and wildlife planning efforts with appropriate public agencies to achieve optimum public benefit.

Subd. 6. [PUBLIC INVOLVEMENT.] The commissioner of natural resources must make fish and wildlife management plans available for public input, review, and comment.

Sec. 9. [84.943] [MINNESOTA CRITICAL HABITAT PRIVATE SECTOR MATCHING ACCOUNT.]

Subdivision 1. [ESTABLISHMENT.] The Minnesota critical habitat private sector matching account is established as a separate account in the state treasury. The account shall be administered by the commissioner of natural resources as provided in this section.

Subd. 2. [FUNDING SOURCES.] The critical habitat private sector matching account shall consist of contributions from private sources and appropriations.

Subd. 3. [APPROPRIATIONS MUST BE MATCHED BY PRIVATE FUNDS.] Appropriations to the critical habitat private sector matching

account may be expended only to the extent that they are matched equally with contributions to the account from private sources or by funds contributed to the nongame wildlife-management account. The private contributions may be made in cash or in contributions of land or interests in land that are designated by the commissioner of natural resources as program acquisitions. Appropriations to the account that are not matched within three years from the date of the appropriation shall cancel to the source of the appropriation. For the purposes of this section, the private contributions of land or interests in land shall be valued in accordance with their appraised value.

Subd. 4. [MANAGEMENT.] *The critical habitat private sector matching account shall be managed to earn the highest interest compatible with prudent investment, preservation of principal, and reasonable liquidity. Unless an appropriation to the account reverts to its original source under subdivision 3, the principal and interest in the account remain in the account until expended as provided in this section.*

Subd. 5. [PLEDGES AND CONTRIBUTIONS.] *The commissioner of natural resources may accept contributions and pledges to the critical habitat private sector matching account. A pledge that is made contingent on an appropriation is acceptable and shall be reported with other pledges as required in this section. In the budget request for each biennium, the commissioner shall report the balance of contributions in the account and the amount that has been pledged for payment in the succeeding two calendar years.*

Money in the account may be expended only for the direct acquisition or improvement of land or interests in land as provided in section 10. To the extent of available appropriations other than bond proceeds, the money matched to the nongame wildlife management account may be used for the management of nongame wildlife projects as specified in section 290.431. Acquisition includes: (1) purchase of land or an interest in land by the commissioner; or (2) acceptance by the commissioner of gifts of land or interests in land as program projects.

Sec. 10. [84.944] [ACQUISITION OF CRITICAL NATURAL HABITAT.]

Subdivision 1. [ACQUISITION CONSIDERATIONS.] *In determining what critical natural habitat shall be acquired or improved, the commissioner shall consider:*

(1) the significance of the land or water as existing or potential habitat for fish and wildlife and providing fish and wildlife oriented recreation;

(2) the significance of the land, water, or habitat improvement to maintain or enhance native plant, fish, or wildlife species designated as endangered or threatened under section 97.488;

(3) the presence of native ecological communities that are now uncommon or diminishing; and

(4) the significance of the land, water or habitat improvement to protect or enhance natural features within or contiguous to natural areas including fish spawning areas, wildlife management areas, scientific and natural areas, riparian habitat and fish and wildlife management projects.

Subd. 2. [DESIGNATION OF ACQUIRED SITES.] The critical natural habitat acquired by the commissioner under this section shall be designated by the commissioner as: (1) an outdoor recreation unit pursuant to section 86A.07, subdivision 3, or (2) as provided in section 97.48, subdivision 11, 26, or 27, section 101.42, subdivision 9, or section 101.475.

Subd. 3. [COUNTY ACQUISITION APPROVAL.] The commissioner must follow the procedures under section 97.481, subdivision 2, for critical natural habitat acquired under this section.

Sec. 11. Minnesota Statutes 1985 Supplement, section 88.80, is amended to read:

88.80 [ASPEN RECYCLING PROGRAM.]

Subdivision 1. [ESTABLISHMENT.] The commissioner may must establish and accelerate an aspen recycling program to assure that marketable stands of aspen are available on state lands and may designate priority areas on state lands for aspen recycling providing for the betterment of public lands owned by the state by clearing trees which because of age, disease, pests, or other cause are unmarketable or increase the hazard of forest fires or infestation, permitting the regeneration of stands of healthy aspen capable of economic management, harvesting, and marketing. The financing of this program is determined to be a necessary and proper public purpose for the issuance of state bonds under the provisions of article XI, section 5 of the constitution relating to the betterment of public land, the promotion of reforestation, and prevention and abatement of forest fires and the clearing and improving of wild lands. The program shall designate priority areas on state lands for aspen recycling.

Subd. 2. [PILOT PROJECT.] The commissioner shall establish an aspen recycling program pilot project in the highest priority area on state lands in order to develop effective program procedures and practices. With respect to the pilot project, the commissioner may restrict bidding on contracts for the cutting, removal, and disposal of aspens, and for related activities, to loggers and others residing in the pilot project area designated under the program that are financially distressed. The commissioner may establish standards and procedures for awarding logging contracts under section 86.35, relating to eligibility for employment for conservation work projects.

Subd. 3. [REPORT.] The commissioner shall report to the legislature by January 1, 1987 the results of the pilot project and a plan to recycle the overmature aspen stands of the state.

Sec. 12. [84.95] [REINVEST IN MINNESOTA RESOURCES FUND.]

Subdivision 1. [PROGRAM FUND; ESTABLISHMENT.] A reinvest in Minnesota resources fund is created as a separate fund in the state treasury. The fund shall be managed to earn the highest interest compatible with prudent investment, preservation of principal, and reasonable liquidity. The principal and interest attributable to the principal shall remain in the fund until spent. Proceeds of state bonds issued for purposes of the fund shall be segregated in a special account and disbursed only for capital costs of the acquisition and betterment of public land and easements in land and improvements in land for which the proceeds are appropriated.

Subd. 2. [PURPOSES AND EXPENDITURES.] Money from the reinvest

in Minnesota resources fund may only be spent for the following fish and wildlife conservation enhancement purposes:

(1) development and implementation of the comprehensive fish and wildlife management plan under section 8;

(2) implementation of the conservation reserve program established by section 4;

(3) soil and water conservation practices to improve water quality, reduce soil erosion and crop surpluses;

(4) enhancement of fish and wildlife habitat on lakes, streams, wetlands, and public and private forest lands;

(5) acquisition and development of public access sites and recreation easements to lakes, streams, and rivers for fish and wildlife oriented recreation;

(6) matching funds with government agencies and the private sector for acquisition and improvement of fish and wildlife habitat;

(7) research and surveys of fish and wildlife species and habitat;

(8) enforcement of natural resource laws and regulations;

(9) information and education;

(10) implementing the aspen recycling program under section 11; and

(11) necessary support services to carry out these purposes.

Sec. 13. Minnesota Statutes 1984, section 97.49, subdivision 3, is amended to read:

Subd. 3. A sum equal to: (1) 35 percent of the gross receipts from all special use permits and leases of lands acquired for public hunting grounds and game refuges, or (2) 50 cents per acre on purchased land actually used for public hunting grounds and game refuges, or (3) three-quarters of one percent of the appraised value of purchased land actually used for public hunting grounds and game refuges, whichever amount is the greater, shall be paid out of the ~~game and fish~~ general fund annually to the county in which said lands are located, to be distributed by the county treasurer among the county and the respective towns and school districts wherein such grounds and refuges lie, on the same basis as if the payments were received as taxes on such lands, payable in the current year, but this provision shall not apply to state trust fund lands or any other state lands not purchased for game refuge and public hunting ground purposes. The county's share of the proceeds shall be deposited in the county general revenue fund. For the purpose of determining the applicability of payments pursuant to clause (3) above, the appraised value of the lands acquired shall be deemed to be the purchase or acquisition price thereof during the first five years following acquisition. After the expiration of five years from the date of acquisition or, in the case of lands acquired prior to July 1, 1974, within 90 days after July 1, 1979, and thereafter at five year intervals, a current appraisal of the land shall be made by the appropriate county assessor, and shall govern payments.

Sec. 14. Minnesota Statutes 1984, section 290.431, is amended to read:

290.431 [NONGAME WILDLIFE CHECKOFF.]

Every individual who files an income tax return or property tax refund claim form may designate on their original return that \$1 or more shall be added to the tax or deducted from the refund that would otherwise be payable by or to that individual and paid into an account to be established for the management of nongame wildlife. The commissioner of revenue shall, on the income tax return and the property tax refund claim form, notify filers of their right to designate that a portion of their tax or refund shall be paid into the nongame wildlife management account. The sum of the amounts so designated to be paid shall be credited to the nongame wildlife management account for use by the nongame ~~section~~ program of the ~~division~~ section of wildlife in the department of natural resources. *All interest earned on money accrued in the nongame wildlife management account shall be credited to the account by the state treasurer.* The commissioner of natural resources shall submit a work program for each fiscal year and semi-annual progress reports to the legislative commission on Minnesota resources in the form determined by the commission. None of the money provided in this section may be expended unless the commission has approved the work program.

The state pledges and agrees with all contributors to the nongame wildlife management account to use the funds contributed solely for the management of nongame wildlife projects and further agrees that it will not impose additional conditions or restrictions that will limit or otherwise restrict the ability of the commissioner of natural resources to use the available funds for the most efficient and effective management of nongame wildlife.

Sec. 15. S.F. No. 1526, article 1, section 11, subdivision 1, if enacted at the 1986 regular session, is amended to read:

Sec. 11. [97A.061] [PAYMENT IN LIEU OF TAXES.]

Subdivision 1. [APPLICABILITY; AMOUNT.] (a) The commissioner shall annually make a payment from the ~~game and fish~~ general fund to each county having public hunting areas and game refuges. This section does not apply to state trust fund land and other state land not purchased for game refuge or public hunting purposes. The payment shall be the greatest of:

(1) 35 percent of the gross receipts from all special use permits and leases of land acquired for public hunting and game refuges;

(2) 50 cents per acre on land purchased actually used for public hunting or game refuges; or

(3) three-fourths of one percent of the appraised value of purchased land actually used for public hunting and game refuges.

(b) The payment must be reduced by the amount paid under subdivision 3 for croplands managed for wild geese. [97.49 s. 7]

(c) The appraised value is the purchase price for five years after acquisition. The appraised value shall be determined by the county assessor every five years after acquisition. [97.49 s. 3]

Sec. 16. [BONDS AUTHORIZED.]

The commissioner of finance upon request of the governor shall sell and issue bonds of the state in an amount up to \$16,000,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections

16A.641 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7. The proceeds of the bonds, except accrued interest and any premium received on the sale of the bonds, must be credited to a bond proceeds account in the reinvest in Minnesota resources fund.

Sec. 17. [APPROPRIATIONS.]

Subdivision 1. [APPROPRIATION TO RESOURCES FUND.] There is appropriated to the reinvest in Minnesota resources fund, other than the bond proceeds account within that fund, any money appropriated by law.

Subd. 2. [BOND PROCEEDS APPROPRIATION.] \$16,000,000 is appropriated from the bond proceeds account of the reinvest in Minnesota resources fund to the agencies and account for the purposes specified in this section.

Subd. 3. [COMMISSIONER OF AGRICULTURE.] \$10,000,000 is appropriated to the commissioner of agriculture:

(a) from the bond proceeds account of the reinvest in Minnesota resources fund for the conservation reserve program under section 4, to be available until expended

\$9,400,000

(b) from the bond proceeds account of the reinvest in Minnesota resources fund for administration of the conservation reserve program under sections 2 to 5 to be available until June 30, 1987

\$600,000

\$500,000 of this appropriation must be distributed to soil and water conservation districts.

The approved complement of the department of agriculture is increased by three positions in the unclassified service.

Subd. 4. [COMMISSIONER OF NATURAL RESOURCES.] \$3,600,000 is appropriated to the commissioner of natural resources:

(a) from the bond proceeds account of the reinvest in Minnesota resources fund for fish and wildlife habitat improvements and acquisition of interests in land under the comprehensive fish and wildlife management plan under section 8, to be available until expended

\$2,500,000

(b) from the bond proceeds account of the reinvest in Minnesota resources fund for aspen recycling under section 12, to be available until expended

\$1,000,000

(c) from the general fund for the development of a fish and wildlife

research center, to be available until
June 30, 1987

\$100,000

Subd. 5. [CRITICAL HABITAT PRIVATE SECTOR MATCHING ACCOUNT.] \$2,500,000 is appropriated from the bond proceeds account of the reinvest in Minnesota resources fund for transfer to the critical habitat private sector matching account established under section 10.

Sec. 18. [EFFECTIVE DATE.]

Sections 1 to 12, 14, 16, and 17 are effective the day following final enactment. Sections 13 and 15 are effective July 1, 1987 except if Senate File 1526 is enacted during the 1986 regular session, section 13 is not effective."

Delete the title and insert:

"A bill for an act relating to natural resources; providing for conservation easements on marginal agricultural lands; improving fish and wildlife habitat; requiring planning for wildlife resources and habitat management; creating a private match program; changing the funding source for certain county payments; creating new accounts in the state treasury; authorizing the sale of state bonds; appropriating money; amending Minnesota Statutes 1984, sections 97.49, subdivision 3; 290.431; Minnesota Statutes 1985 Supplement, section 88.80; proposing coding for new law in Minnesota Statutes, chapters 40 and 84."

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

House Conferees: (Signed) John T. Rose, Elton R. Redalen, Bob Waltman, Bob Neuenschwander, Loren G. Jennings

Senate Conferees: (Signed) Randolph W. Peterson, John Bernhagen, Gene Merriam, Duane D. Benson, Gary M. DeCramer

Mr. Peterson, R.W. moved that the foregoing recommendations and Conference Committee Report on H.F. No. 628 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 628 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill, as amended by the Conference Committee, was repassed and

its title was agreed to.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following Senate Files, herewith returned: S.F. Nos. 1515, 1703 and 2135.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 15, 1986

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 5, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 5: A bill for an act relating to alcoholic beverages; increasing the age for licensing, sale, purchase, consumption, possession, and furnishing of alcoholic beverages; establishing programs for education on avoidable health risks related to alcohol and other drugs; increasing the fee for the reinstatement of drivers licenses revoked for alcohol-related violations; appropriating money; amending Minnesota Statutes 1984, sections 171.29, subdivision 2; 340.02, subdivision 8; 340.035, subdivision 1; 340.039; 340.119, subdivision 2; 340.13, subdivision 12; 340.403, subdivision 3; 340.73, subdivision 1; 340.731; 340.732; 340.79; and 340.80.

Senate File No. 5 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 15, 1986

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 418, and repassed said bill in accordance with the report of the Committee, so adopted.

H.F. No. 418: A bill for an act relating to local government; excluding firefighter and peace officer job classes from certain aspects of pay equity requirements; amending Minnesota Statutes 1984, section 179A.16, by adding a subdivision; 471.992; 471.993, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 471; repealing Minnesota Statutes 1984, section 471.9965.

House File No. 418 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 15, 1986

Mr. Merriam moved that H.F. No. 418 and the Conference Committee Report thereon be laid on the table. The motion prevailed.

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of three members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 1725: A bill for an act relating to the city of East Grand Forks; permitting the establishment of a port authority; authorizing the port authority to exercise the powers of a municipal housing and redevelopment authority.

There has been appointed as such committee on the part of the House:

Lieder, Valento and Thiede.

Senate File No. 1725 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 15, 1986

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of three members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 2280: A bill for an act relating to taxation; imposing levy limits on certain towns and cities; altering provisions governing distribution of certain taconite tax proceeds; reducing the taconite railroad gross earnings tax rate; reducing occupation and royalty tax rates; providing for the deduction of taconite production taxes and transportation costs; appropriating money; amending Minnesota Statutes 1984, sections 275.125, subdivision 9; 275.50, subdivision 2; 275.51, subdivision 3f; 298.225, by adding a subdivision; and 298.24, subdivision 1; Minnesota Statutes 1985 Supplement, sections 294.22; 298.01, subdivision 1; 298.03; 298.225, subdivision 1; 298.28, subdivision 1; and 299.01, subdivision 1.

There has been appointed as such committee on the part of the House:

McKasy, Schreiber and Begich.

Senate File No. 2280 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 15, 1986

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. 707: A bill for an act relating to retirement; public plans generally; providing health insurance benefits for certain retired teachers; changing eligibility requirements for surviving spouse benefits; regulating coverage under the unclassified employees retirement program; amending Minnesota Statutes 1984, sections 62E.14, subdivision 1; 352.12, subdivision 2; 352D.01; 352D.015, subdivision 5; 352D.02, as amended; 352D.06, subdivision 1; 352D.065, subdivision 5; 352D.085, subdivision 1; 353.32,

subdivision 1a; 354.05, subdivisions 2 and 26; 354.44, subdivision 4; 354.46, subdivision 2; and 354A.35, subdivision 2; Minnesota Statutes 1985 Supplement, sections 136C.50, subdivision 7; 353.657, subdivision 2a; 354.55, subdivision 11; and 356.215, subdivision 4d; proposing coding for new law in Minnesota Statutes, chapter 62E.

Senate File No. 707 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 15, 1986

Mr. Moe, D.M. moved that the Senate do not concur in the amendments by the House to S.F. No. 707, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be 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 Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 1782: A bill for an act relating to insurance; accident and health; regulating long-term care policies; requiring coverage for home health care and care in skilled or intermediate nursing facilities; amending Minnesota Statutes 1984, section 62A.31, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 62A.

Senate File No. 1782 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 15, 1986

CONCURRENCE AND REPASSAGE

Mr. Petty moved that the Senate concur in the amendments by the House to S.F. No. 1782 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 1782: A bill for an act relating to insurance; accident and health; regulating long-term care policies; requiring coverage for home health care and care in skilled or intermediate nursing facilities; amending Minnesota Statutes 1984, section 62A.31, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 62A.

Was read the third time, as amended by the House, and placed on its repassage.

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

The roll was called, and there were yeas 47 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dieterich	Kronebusch	Peterson, C.C.	Solon
Anderson	Frederick	Laidig	Peterson, D.C.	Spear
Belanger	Frederickson	Lantry	Peterson, D.L.	Storm
Benson	Gustafson	Luther	Peterson, R.W.	Taylor
Berglin	Isackson	Mehrkens	Petty	Vega
Bernhagen	Johnson, D.E.	Merriam	Purleerst	Waldorf
Bertram	Jude	Moe, D.M.	Ramstad	Wegscheid
Chmielewski	Kamrath	Moe, R.D.	Reichgott	
Dahl	Knaak	Novak	Renneke	
Diessner	Knutson	Pehler	Schmitz	

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

MESSAGE FROM THE HOUSE - CONTINUED

Mr. President:

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

S.F. No. 1869: A bill for an act relating to utilities; changing the powers and responsibilities of the chair of the public utilities commission; requiring the governor to appoint the chair of the commission; changing qualification for commissioners; requiring commissioners to file certain financial information before taking office; prohibiting commissioners and certain employees from engaging in certain activity after leaving the commission; requiring the commission to adopt a code of conduct; providing penalties; amending Minnesota Statutes 1984, sections 216A.03, subdivision 3; and 216A.035; proposing coding for new law in Minnesota Statutes, chapter 216A.

Senate File No. 1869 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 15, 1986

Mr. Dieterich moved that the Senate do not concur in the amendments by the House to S.F. No. 1869, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce 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. 1910: A bill for an act relating to transportation; adding new route to trunk highway system in substitution of existing route; allowing old highway to be turned back to city of Willmar; directing revisor of statutes to make route substitution; amending Laws 1974, chapter 151, section 3.

Senate File No. 1910 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 15, 1986

Mr. Johnson, D.E. moved that the Senate do not concur in the amendments by the House to S.F. No. 1910, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the

Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce 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. 1581: A bill for an act relating to human services; exempting rural providers from licensure; establishing requirements for the regulation of child day care; prohibiting local governments from establishing special fire code requirements for small family day care homes; limiting the liability of municipalities for licensing activities; providing for indemnification of municipalities by the state; establishing a task force; requiring reports; amending Minnesota Statutes 1984, sections 245.802, subdivision 1; 299F.011, subdivision 4a; and 466.03, by adding a subdivision; proposing code for new law in Minnesota Statutes, chapters 245 and 466.

Senate File No. 1581 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 15, 1986

CONCURRENCE AND REPASSAGE

Ms. Berglin moved that the Senate concur in the amendments by the House to S.F. No. 1581 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 1581 was read the third time, as amended by the House, and placed on its repassage.

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

The roll was called, and there were yeas 47 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	Diessner	Kronebusch	Peterson, C.C.	Solon
Anderson	Dieterich	Laidig	Peterson, D.C.	Spear
Belanger	Frederick	Lantry	Peterson, D.L.	Storm
Benson	Frederickson	Lessard	Peterson, R.W.	Taylor
Berglin	Gustafson	Luther	Petty	Vega
Bernhagen	Isackson	Mehrkens	Purfeerst	Waldorf
Bertram	Jude	Moe, D.M.	Ramstad	Wegscheid
Chmielewski	Kamrath	Moe, R.D.	Reichgott	
Dahl	Knaak	Novak	Renneke	
Dicklich	Knutson	Pehler	Schmitz	

Mr. Merriam voted in the negative.

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the con-

currence of the Senate is respectfully requested:

S.F. No. 1526: A bill for an act relating to natural resources; recodifying laws governing wild animals in general, the taking and possession of game and fish, and the management of natural resources; providing penalties; amending Minnesota Statutes 1984, sections 9.071; 14.02, subdivision 4; 14.38, subdivision 6; 18.021, subdivision 3; 84.0274, subdivision 6; 84.88, subdivision 2; 84.89; 84A.02; 85.018, subdivision 8; 86A.06; 105.391, subdivisions 3 and 12; 105.417, subdivision 4; 111.81, subdivision 1; 343.21, subdivision 8; 343.30; 352B.01, subdivisions 2; 361.25; 383C.13; 477A.12; 477A.13; Minnesota Statutes 1985 Supplement, section 105.74; proposing coding for new law in Minnesota Statutes, chapters 84; 97A; 97B; 97C; 609; and 624; repealing Minnesota Statutes 1984, and 1985 Supplement, chapters 97, 98, 99, 100, 101, and 102.

Senate File No. 1526 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 15, 1986

CONCURRENCE AND REPASSAGE

Mr. Merriam moved that the Senate concur in the amendments by the House to S.F. No. 1526 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 1526: A bill for an act relating to natural resources; recodifying laws governing wild animals in general, the taking and possession of game and fish, and the management of natural resources; barring game and fish citation quotas; providing penalties; amending Minnesota Statutes 1984, sections 9.071; 14.02, subdivision 4; 14.38, subdivision 6; 18.021, subdivision 3; 84.0274, subdivision 6; 84.88, subdivision 2; 84.89; 84A.02; 85.018, subdivision 8; 86A.06; 105.391, subdivisions 3 and 12; 105.417, subdivision 4; 111.81, subdivision 1; 343.21, subdivision 8; 343.30; 352B.01, subdivision 2; 361.25; 383C.13; 477A.12; 477A.13; Minnesota Statutes 1985 Supplement, section 105.74; proposing coding for new law in Minnesota Statutes, chapters 84; 97A; 97B; 97C; 609; and 624; repealing Minnesota Statutes 1984, and 1985 Supplement, chapters 97, 98, 99, 100, 101, and 102.

Was read the third time, as amended by the House, and placed on its repassage.

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

The roll was called, and there were yeas 46 and nays 2, as follows:

Those who voted in the affirmative were:

Adkins	Dieterich	Laidig	Peterson, D.L.	Spear
Anderson	Frederick	Lantry	Peterson, R.W.	Storm
Belanger	Frederickson	Luther	Petty	Taylor
Benson	Gustafson	Merriam	Purfeerst	Vega
Berglin	Isackson	Moe, D.M.	Ramstad	Waldorf
Bernhagen	Jude	Moe, R.D.	Reichgott	Wegscheid
Chmielewski	Kamrath	Novak	Renneke	
Dahl	Knaak	Pehler	Schmitz	
Dicklich	Knutson	Peterson, C.C.	Sieloff	
Diehsner	Kronebusch	Peterson, D.C.	Solon	

Messrs. Bertram and Lessard voted in the negative.

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

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

S.F. No. 2102: A bill for an act relating to marriage dissolution and legal separation; requiring appointment of guardians ad litem in certain child custody proceedings; amending Minnesota Statutes 1984, section 518.165.

Senate File No. 2102 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 15, 1986

Mr. Petty moved that S.F. No. 2102 be laid on the table. The motion prevailed.

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. 1671: A bill for an act relating to the city of Minneapolis; authorizing the city to construct and own certain facilities; authorizing the city to levy and collect certain taxes; authorizing the city to issue bonds and expend certain funds including taxes to finance the acquisition and betterment of a convention center and related facilities.

Senate File No. 1671 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 15, 1986

CONCURRENCE AND REPASSAGE

Ms. Berglin moved that the Senate concur in the amendments by the House to S.F. No. 1671 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 1671 was read the third time, as amended by the House, and placed on its repassage.

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

The roll was called, and there were yeas 42 and nays 15, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Knutson	Olson	Solón
Belanger	Dicklich	Kronebusch	Pehler	Spear
Berg	Diessner	Laidig	Peterson, C.C.	Taylor
Berglin	Frank	Langseth	Peterson, D.C.	Vega
Bernhagen	Frederick	Lantry	Pogemiller	Waldorf
Bertram	Freeman	Luther	Purfeerst	Wegscheid
Chmielewski	Gustafson	Merriam	Ramstad	
Dahl	Johnson, D.J.	Moe, R.D.	Reichgott	
Davis	Jude	Novak	Sieloff	

Those who voted in the negative were:

Anderson
Benson
Dieterich

Frederickson
Isackson
Kamrath

Knaak
Mehrkens
Moe, D.M.

Peterson, D.L.
Peterson, R.W.
Petty

Renneke
Schmitz
Storm

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 1930:

H.F. No. 1930: A bill for an act relating to public safety; barring traffic citation quotas; proposing coding for new law in Minnesota Statutes, chapter 299D.

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

Carlson, D.; Neuenschwander and Johnson have been appointed as such committee on the part of the House.

House File No. 1930 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 March 15, 1986

Mr. Taylor moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 1930, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 2287:

H.F. No. 2287: A bill for an act relating to the financing of state and local government; modifying the computation of education aids and levies for certain school districts with tax increment financing districts; imposing limitations on tax increment financing; modifying tax increment financing procedures; allocating issuance authority for obligations subject to a federal volume limitation act; eliminating the maximum interest rate for certain municipal obligations; authorizing the issuance of bonds for new purposes; authorizing establishment of a capital improvement reserve fund; modifying the procedures for issuing certain municipal bonds; modifying the investment powers of municipalities; amending Minnesota Statutes 1984, sections 115.07, subdivision 1; 115A.14, subdivision 4; 116.07, by adding a subdivision; 116D.04, subdivision 1a; 117.521, subdivision 3; 124.2131, by adding a subdivision; 124.214, by adding a subdivision; 272.01, subdivision 2; 273.72; 273.73, subdivisions 2, 8, and 10; 273.74, subdivisions 1 and 4; 273.75, subdivisions 2, 6, and 7, and by adding subdivisions; 273.76, subdivisions 4 and 7, and by adding a subdivision; 273.78; 273.86, subdivision 1; 355.11, subdivision 5; 412.301; 462C.02, subdivisions 6 and 9; 462C.06;

462C.07, subdivision 1; 466.06; 471.59, subdivision 11; 471.88, subdivisions 1, 9, and 11; 471.981, by adding subdivisions; 474.02, subdivision 3, and by adding a subdivision; 474.16, subdivision 2; 475.51, subdivision 5; 475.55, subdivisions 1, 2, and 3; 475.61, subdivision 5; and 475.66, subdivision 2; Minnesota Statutes 1985 Supplement, sections 273.74, subdivisions 2 and 3; 273.75, subdivisions 1 and 4; 273.76, subdivision 1; 353.01, subdivision 2a; 395.08; 462C.12, subdivision 2; 472B.04; 473F.02, subdivision 3; 475.52, subdivision 6; 475.56; 475.58, subdivision 1; 475.60, subdivision 2; 475.66, subdivision 1; and 475.76, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 115; 116; 297A; 458; 471; and 475; proposing coding for new law as Minnesota Statutes, chapters 116N; 458C; 471A; and 474A; repealing Minnesota Statutes, sections 462C.09, subdivisions 1 and 4; 474.16, subdivisions 1, 2, and 5; 474.21; 474.25; and 475.55, subdivisions 4 and 5; and Minnesota Statutes 1985 Supplement, sections 462C.09, subdivisions 2a, 3, 5, and 6; 474.16, subdivisions 3, 6, 7, 8, 9, 10; 11, 12, 13, 14, and 15; 474.17; 474.19; 474.20; 474.23; and 474.26.

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

Schreiber, Brandl, Tomlinson, Valento and Dempsey have been appointed as such committee on the part of the House.

House File No. 2287 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 March 15, 1986

Ms. Peterson, D.C., for Mr. Pogemiller, moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 2287, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following House File, herewith transmitted: H.F. No. 1971.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 15, 1986

FIRST READING OF HOUSE BILLS

The following bill was read the first time.

H.F. No. 1971: A resolution memorializing the President and Congress of the United States to enact the Mississippi River National Heritage Corridor Act of 1986.

Mr. Bernhagen moved that H.F. No. 1971 be laid on the table. The motion

prevailed.

RECESS

Mr. Luther moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

APPOINTMENTS

Mr. Moe, R.D. from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

H.F. No. 654: Messrs. Jude, Spear and Merriam.

H.F. No. 2169: Messrs. Dicklich, Merriam and Pehler.

H.F. No. 1875: Mrs. Lantry, Messrs. Dieterich and Sieloff.

S.F. No. 1869: Messrs. Dieterich, Jude and Knaak.

S.F. No. 1910: Messrs. Johnson, D.E.; Schmitz and Purfeerst.

S.F. No. 707: Messrs. Moe, D.M.; Spear; Wegscheid; Pogemiller and Renneke.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Pogemiller introduced—

Senate Resolution No. 128: A Senate resolution congratulating Holy Cross Catholic Church upon its centennial.

Referred to the Committee on Rules and Administration.

Without objection, the Senate proceeded to the Order of Business of Introduction and First Reading of Senate Bills.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bill was read the first time and referred to the committee indicated.

Mr. DeCramer introduced—

S.F. No. 2322: A bill for an act relating to education; providing that the basic costs of education will be paid by the state; providing for expansion of the sales tax base and adjustment of its rate to provide funding for this aid.

Referred to the Committee on Education.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Dahl moved that S.F. No. 1833, No. 28 on Special Orders, be stricken

and laid on the table. The motion prevailed.

Mr. Dahl moved that S.F. No. 1905, No. 45 on Special Orders, be stricken and laid on the table. The motion prevailed.

MEMBERS EXCUSED

Mrs. Brataas and Mr. Johnson, D.J. were excused from the Session of today.

Ms. Berglin was excused from the Session of today from 10:00 to 11:00 a.m. and from 8:00 to 8:30 p.m. Mr. Frederick was excused from the Session of today from 10:00 to 11:30 a.m. Mr. Freeman was excused from the Session of today from 10:00 a.m. to 12:00 noon. Mr. Storm was excused from the Session of today from 12:30 to 1:30 p.m. Mr. Gustafson was excused from the Session of today from 12:30 to 1:30 p.m. Mr. Lessard was excused from the Session of today from 1:00 to 2:45 p.m. Mr. Hughes was excused from the Session of today at 7:30 p.m. Mr. Frank was excused from the Session of today from 11:45 a.m. to 12:40 p.m. and from 5:50 to 6:15 p.m.

Mr. Wegscheid was excused from today's Session for brief periods of time.

ADJOURNMENT

Mr. Luther moved that the Senate do now adjourn until 10:00 a.m., Monday, March 17, 1986. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate